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U.S. and Soviets Agree to End Arms Sales to Afghans

By Thomas L. Friedman
New York Times Service

MOSCOW — In yet another move to settle longstanding regional disputes, the United States and the Soviet Union agreed Friday to stop all arms sales to combatants in Afghanistan to help pave the way for free elections and a final settlement of the Afghan civil war.

After a meeting Friday morning to settle the details, the Soviet foreign minister, Boris D. Pankin, and the U.S. secretary of state, James A. Baker 3d, read a joint statement declaring their intention to cease all weapons deliveries — and to encourage other countries to cease theirs — by next Jan. 1. In the meantime, they agreed not to step up current arms shipments to their respective Afghan allies.

President Najibullah of Afghanistan immediately welcomed the agreement, Tass said. Afghan guerrilla leaders also gave it a cautious welcome, news agencies reported from Islamabad, Pakistan, where many rebel groups are based.

The agreement to "discontinue weapons deliveries to all Afghan sides," which the United States and the Soviet Union have been negotiating for more than two years, follows Moscow's announcement last week that it was setting the Baltic states free.

It also follows Moscow's announcements on Wednesday that it was pulling its military forces out of Cuba and exploring the settlement of a dispute with Japan over the Kuril Islands, seized by Moscow from Japan at the end of World War II.

The common denominator in each of these regional issues is that they were major irritants to either Soviet-American relations or Soviet-Japanese relations, and as long as they remained would have been political obstacles to any large-scale economic aid from either Washington or Tokyo to Moscow.

What the Soviets are now doing, American officials acknowledge, is the foreign policy equivalent of a liquidation sale.

This only became possible as a result of the August revolution, which swept most hard-liners out of the Soviet leadership and dissolved the Communist Party. American officials, uncertain about how long the Soviet central government under President Mikhail S. Gorbachev will last, have been eager to exploit the Soviet desperation as best, and as quickly, as they can.

Mr. Baker, with Mr. Pankin at his side, said Friday, "Two weeks ago we had some very contentious items, I call them old agenda items, on our agenda with the Soviet Union.

With no end to war in sight, how much more bloodshed? Page 4.

"One of those was independence for the Baltic states. That is off the agenda. The Baltic states have their independence. Cuba: A very, very difficult issue, a thorny issue in U.S.-Soviet relations for a long, long time. You heard what President Gorbachev said on that issue. That old agenda item is disappearing from the agenda."

He added: "Afghanistan, an issue where the Soviet Union and the United States have been directly in confrontation and at loggerheads for quite some time. This agreement this morning — something we have sought to work out for the last two years — has now been worked out, at least in terms of a willingness on the part of both of us to say that no more military supplies are going to be shipped in there after the first of January.

"This removes three of the most contentious and 'old agenda' items that have impeded and obstructed progress in this relationship and I just have to tell you we are delighted to see these old agenda items being removed."

The Soviet-American understanding on Afghanistan does not settle the civil war. What it does do,

See AFGHANS, Page 4

The Associated Press
The Soviet foreign minister, Boris D. Pankin, left, and the U.S. Secretary of State, James A. Baker 3d, announcing the accord ending arms sales to Afghanistan.

Rate Cut Aims to Spur U.S. Recovery

Federal Reserve Acts, and Banks Trim Prime to 8%

By Carl Gewirtz
International Herald Tribune

The Federal Reserve, moving to bolster confidence that America's recovery from recession will not falter, lowered its discount rate Friday to 5 percent, the lowest level for the key interest rate since 1973. The central bank also eased short-term, money market rates.

Both moves, designed to make money less expensive and spur growth, came after the government reported that that inflation was well under control and that retail sales remained sluggish. Retail sales are an important measure of the health of consumer spending, which accounts for two-thirds of the U.S. economy. (Page 9)

Inflation in Britain falls to its lowest rate since June 1988. Page 9.

Concern about growth prospects was fueled late Thursday when the government reported a $10 billion decline in the much-watched M-2 measure of money supply. "That was a shockingly weak number," said Andres Drobny, an economist at Bankers Trust in London, which he said added to worries that the U.S. economy was headed for renewed slowdown.

The U.S. bond market reacted favorably to Friday's rate cuts, which brought the discount rate down half a point from 5.5 percent and the federal funds rate, charged on overnight money, down a quarter point to 5.25 percent. The dollar remained under pressure. (Page 10)

The government reported that the consumer price index rose 0.2 percent in August for the third consecutive month while retail sales [illegible] dropped 0.7 percent.

Analysis cautioned, however, that the numbers were not quite what they seemed. The inflation figure was "not quite as healthy as it looked," noted Giles Keating at Credit Suisse First Boston in London, because after eliminating the volatile food and energy numbers the index was up 0.4 percent for a 4.6 percent rise on the year.

Likewise, retail sales were not quite as sluggish as they appeared. Eliminating the highly erratic data for auto sales, the August decline was only 0.2 percent.

The Fed's move had been telegraphed nearly a month ago. But by waiting for the consumer price index, the central bank clearly intended to reassure markets that there was little risk that easier monetary policy would rekindle inflation — a move validated by the reaction in the bond market.

Bond prices rallied and yields, which move inversely to prices, fell. The government's 30-year bond yielded 7.93 percent and 10-year paper was down to 7.63 percent. They compare to yields of 8.02 percent and 7.75 percent, respectively, a week earlier.

It is the decline in these long-term interest rates that will fire the recovery, analysts said, by stimulating the housing market through lower long-term mortgage rates and by encouraging new investment.

The discount rate cut — the fourth since rates peaked in March 1989 — is essentially a symbolic move, confirming the Fed's intention to be more accommodating.

The cut in the overnight cost of funds, the 17th easing since the peak, is directly important to financial institutions such as banks. Responding to the fall in the banks' cost of funds, Morgan Guaranty Trust announced a half-point reduction in its prime lending rate to 8 percent; it was followed by other money-center and regional banks.

The Fed's move had been foreshadowed by a quarter-point cut in the money market rate in early Au-

See RATES, Page 10

Shoot-Out Kills UN Hostage and Palestinian Raider

By Jackson Diehl
Washington Post Service

JERUSALEM — A group of seaborne Palestinian guerrillas, diverted from an apparent attempt to carry out an attack on Israel, landed in southern Lebanon early Friday morning and took 14 United Nations peacekeeping soldiers hostage, leading to a shoot-out with an Israeli-backed militia in which a Palestinian and a UN soldier were killed, authorities said.

Five other UN soldiers were wounded in the firefight, which began after forces of the Israeli-sponsored South Lebanese Army surrounded a building where three heavily-armed Palestinians were holding the hostages and negotiating with a UN officer, a UN spokesman said. The two surviving Palestinians, including one who was wounded, were captured by the militia and taken to Israel.

Israeli military spokesmen said that the Palestinians involved in the incident were affiliated with the mainstream Fatah movement of the Palestine Liberation Organization and intended to carry out a major terrorist attack inside Israel. But UN officials said they could not confirm the charge.

[In Tunis, the PLO denied any involvement in the incident, Reuters reported. "Neither the PLO nor its factions have any relation with the group" of commandos involved in the incident, a PLO spokesman said.]

El Fatah, headed by the PLO chairman, Yasser Arafat, pledged not to carry out further attacks on Israeli civilian targets after the PLO recognized Israel's right to exist nearly three years ago. The United States broke off political contacts with the PLO after another faction staged a seaborne raid on Israeli beaches in May 1990.

Israeli and UN authorities said Friday's incident involved six Palestinian fighters aboard two rubber dinghies that appeared off the Mediterranean coast near the Israel-Lebanese border around 6 A.M.

The Israeli radio said the Palestinians carried Kalishnikov rifles, rocket-propelled grenades, and explosives.

Israeli naval patrol boats pursued and fired on the dinghies, prompting both of them to land near the Lebanese town of Naqoura, which lies three miles (five kilometers) north of the Israeli-Lebanese border.

Timur Goksel, a spokesman for the United Nations Interim Force in Lebanon, known as Unifil, said one dinghy with three Palestinians

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Date for Mideast Talks Remains Up in the Air

Reuters

MOSCOW — The Soviet Union and the United States failed Friday to fix a date for a Middle East peace conference, but Secretary of State James A. Baker 3d said they still aimed to hold the meeting in October.

Mr. Baker insisted that despite the fact no date was set, there was "no disagreement whatsoever" between Washington and Moscow.

"We have not concluded that there has to be a delay either," he said at a joint news conference after a meeting with Boris D. Pankin, the Soviet foreign minister.

He added that the Bush administration still wanted to see sufficient progress so that the October time frame that Presidents George Bush and Mikhail S. Gorbachev mentioned could be met.

Both men said the lack of action did not suggest disagreement. But the announcement added to the sense that momentum toward the conference, designed to launch direct negotiations between Arabs and Israelis, had seriously slowed.

Mr. Baker's efforts have been complicated by a dispute with Israel over its request for $10 billion in housing loan guarantees to settle Soviet Jewish immigrants.

"We have not agreed on dates. We have agreed that we will continue to closely cooperate, the two countries to jointly sponsor if possible such a conference and we have discussed the issue of invitations," Mr. Baker said.

"We have not agreed as yet as with respect to the exact wording of the invitations or with respect to the fact of sending the invitations," he said.

Eric Gaillard/Reuters
Yitzhak Shamir at a press conference Friday in Paris, where was attending a European meeting.

U.S.-Israel Confrontation Looms Over Loan

Washington Post Service

JERUSALEM — Prime Minister Yitzhak Shamir responded defiantly Friday to President George Bush's threat to veto any early congressional move to grant $10 billion in U.S. loan guarantees to Israel, saying that his government saw "no reason to change our position" on the issue.

The prime minister's blunt declaration came as a number of ministers and senior officials in his government reacted angrily to Mr. Bush's attempts to delay the new aid package.

Mr. Shamir, returning Friday afternoon from a trip to Paris, reiterated his government's rejection of the connection that Mr. Bush has made between the loan guarantees and the Middle East peace process. Israel says it needs the guarantees to help absorb Soviet immigrants.

Praising the lobbying activity in Congress by American Jewish organizations, he hinted that they should still seek to push the aid package through in the coming weeks despite Mr. Bush's threat of a veto.

"Our friends have brought this guarantees problem before the Congress, and the Congress will discuss it and take its decisions," he said at the airport. "It's not up to us."

Several of Mr. Shamir's key ministers spoke more bluntly. "I propose we stand steadfast, determined and completely uncompromising in our position and on our request," Health Minister Ehud Olmert said.

Former Prime Minister Yitzhak Rabin of the opposition Labor Party was one of a number of Israelis who described relations with Washington in dire terms following Mr. Bush's press conference on the loan guarantee issue Thursday.

Mr. Rabin said on Israeli television that no U.S. president had spoken as harshly against Israel since Dwight D. Eisenhower demanded that Israel evacuate the Sinai peninsula during the 1956 Suez crisis.

Mr. Rabin and other liberal politicians, together with representatives of American Jewish organizations in Israel, called for a compromise that would prevent an all-out confrontation. Sources said that some American Jewish groups warned the government Friday that, following Mr. Bush's high-profile appeal for delay, it was unlikely that Israel would have enough support in Congress to win immediate approval for the loan guarantees.

Nevertheless, aides to Mr. Shamir expressed defiance and outrage on the issue both in public and in private.

Government officials here believe that Mr. Bush is seeking a delay on consideration of the loan guarantees so that the issue can be used as leverage against Israel

See ISRAEL, Page 4

U.S. Considers Shift On Subic Base Pact

By Philip Shenon
New York Times Service

MANILA — The United States would consider modifications in a lease agreement for the Subic Bay Naval Station in order to prevent an immediate shutdown of the huge American base, Western diplomats said Friday.

The diplomats said the Bush administration, in what appears to be a major shift in its bargaining position, was willing to consider a three-year phased withdrawal from Subic in place of the 10-year base treaty that is now under debate — and facing rejection — in the Philippine Senate.

The United States may also seek to delay its departure from Subic for at least several months, until after a proposed national referendum by Philippine voters on the future of the base, the diplomats said.

"It's fair to say that we would consider any proposal presented by the Filipinos short of an out-and-out rejection of the treaty," a U.S. diplomat said Friday. "Subic is a very valuable facility to the United States."

Subic Bay, the largest American military base in Southeast Asia, is a major repair and supply installation for the U.S. 7th Fleet and is home to more than 7,000 American troops and civilian workers.

While its strategic importance has been questioned as a result of the end of the Cold War, American officials say Subic remains a critical, and in many ways irreplaceable, component of U.S. military planning in the Pacific.

They say the functions of Subic could be replicated elsewhere in the region, but at a cost to the Defense Department of several billion dollars. "And you can't replicate those functions in any one place," said a Western diplomat, describing Subic as "a beautiful package."

Earlier this week, President George Bush and Defense Secretary Dick Cheney suggested that the United States would abandon Subic before agreeing to any changes in the treaty. "We've made our best offer," the president said in Washington.

Most of the 23 members of the Philippine Senate, which must ratify treaties, have already announced their opposition to the base agreement reached this summer. Under the pact, the United States would pay $203 million a year in rent for the base.

Several senators oppose the treaty strictly on grounds of national sovereignty, saying it is time to end nearly a century of American military presence on Philippine soil. Others oppose the specific terms of the agreement, especially what they describe as the insulting low compensation package offered by the United States.

As the Senate moves closer to a final decision — the vote on the new base agreement is expected on or before Monday, when the current Subic treaty expires — lawmakers are being confronted with a series of alternatives designed to make it possible for American troops to remain at the naval base, at least for the time being.

One set of proposals would put off the U.S. withdrawal for three years — a period in which American negotiators could seek a new, long-range treaty.

Another proposal, sponsored by President Corazon C. Aquino, would put the base issue before the public, allowing them to vote in a

See BASES, Page 4

Kiosk

Soviets Agree to More Arms Talks

MOSCOW (Reuters) — The Soviet Union agreed Friday to a U.S. proposal to discuss cutting arsenals of short-range nuclear weapons, Tass reported.

The agency said Secretary of State James A. Baker 3d proposed opening the disarmament talks when he met General Vladimir N. Lobov, chief of the general staff of the Soviet armed forces. General Lobov backed Mr. Baker's proposal to discuss cutting the short-range nuclear weapons, Tass said.

General News

Croats lost a strategic town to Serbian rebels. Page 2.

Crossword Page 5.

Dow Close
2,985.69
Down
22.14

The Dollar in New York

Dm	1.69
Pound	1.7287
Yen	134.08
FF	5.7525

Kaifu Takes Potshot at U.S. Politicians

By T.R. Reid
Washington Post Service

TOKYO — In the midst of a heated parliamentary debate about Japan's recurrent political and financial scandals, Prime Minister Toshiki Kaifu on Friday complained that American politicians "don't have very strict ethics."

Mr. Kaifu's comment on the floor of the Diet, the national legislature, came while he was defending his ambitious plan to revamp electoral politics and campaign financing here. Opponents of the far-reaching package had argued that the changes would make Japanese politics too similar to America's.

"I don't know how much the American situation applies to Japan," Mr. Kaifu said. "American political candidates don't have very strict ethics, do they? It's not that there's no limit on their campaign spending, but they can spend money, can't they?"

When Mr. Kaifu's office was asked to explain the comment, the prime minister expressed regret and said he had not meant to say what he did.

"The prime minister feels it is unfortunate," a Foreign Ministry official said. "He used the word *rinri*, and in English, that word does mean 'ethics.' But he was actually referring to the absence of controls on campaign spending in the U.S. He didn't really mean there's a lack of ethics."

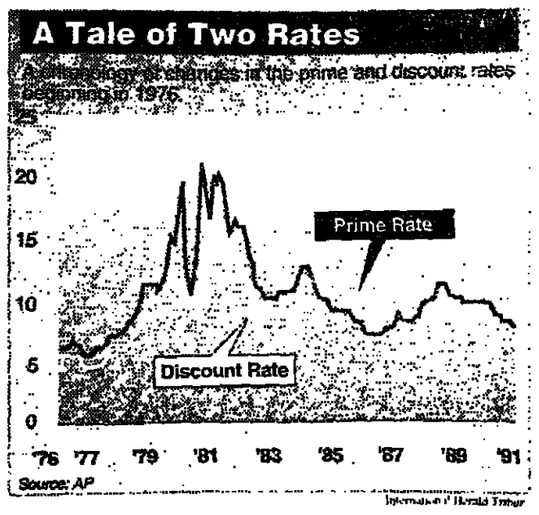
Mr. Kaifu's comments go no further than what countless American political analysts have said about U.S. politics. But Japan is in such a state of tension now about the volatile U.S.-Japan relationship — particularly with the 50th anniversary of Pearl Harbor coming in December — that any political comment that might anger Americans immediately becomes a political issue.

On Friday night, Japanese reporters began calling the The Washington Post office here to ask if Mr. Kaifu's comment would be reported. If the remark generates anger in America, Japan's most important ally and customer, that could be dangerous to Mr. Kaifu's political career.

He faces a tight election six weeks from now for another term as prime minister. For any Japanese politician hoping to be prime minister, the ability to maintain good relations with the U.S. is a basic job requirement.

It is particularly important for Mr. Kaifu, who has been derided recently as an inexperi-

See ETHICS, Page 4



Belgrade Rule Is Imperiled

Markovic Trying To Form Cabinet

By John Tagliabue
New York Times Service

ZAGREB, Yugoslavia — As army-backed Serbian forces assaulted Croatian positions, sending paramilitary units to the Dalmatian coast of Croatia after severing it from Zagreb, the republic's capital, there were mounting indications Friday that the federal government of Prime Minister Ante Markovic was crumbling.

Mr. Markovic said at a news conference in Belgrade that he was encountering intense difficulties assembling a new cabinet after his ministers of finance and development quit Thursday together with two deputy ministers, all Croatians. Another blow came when three of the country's six republics — Serbia, Croatia and Slovenia — refused to send delegates to a meeting Saturday called to form a new cabinet.

"If the reconstruction of the federal government does not succeed, it will be necessary to form a new government or total legal anarchy will ensue," said Mr. Markovic, who is also Croatian. "I do not rule out a general civil war."

In the fight that has erupted in Yugoslavia since the republics of Slovenia and Croatia declared independence on June 25, the central government has been stripped of most of its powers.

But it has continued to function as a kind of clearinghouse for information and a strut for the last vestiges of central organization like postal, transport and some financial services.

Finance Minister Branimir Zekan and the minister for development, Bozo Marendic, announced their resignations from the federal cabinet after the Croatian government in Zagreb called on all Croatian officials in federal institutions to return home.

Slovenia, whose decision together with Croatia to seek independence from Yugoslavia set off the present crisis, withdrew its government members in June.

In the Hague, the chairman of the European Community-sponsored Yugoslav peace conference, Lord Carrington, announced that he would travel to Yugoslavia on Monday for talks with the presidents of Croatia and Serbia, as well as with other officials. He said he would try to tackle problems raised by the continued fighting between Croatians and Serbian guerrillas backed by the federal army.

He said the conference delegates, foreign ministers from Yugoslavia's six republics and the federal government, agreed to begin discussions next Thursday on restructuring Yugoslavia and assuring the rights of minorities in the multiethnic federation.

Injecting a note of skepticism, however, he added: "I suppose a lot will depend on what happens in the future, and upon the level of violence in the future."

But Croatian officials made no bones about their view that while the diplomats deliberated Croatia was being dismembered piece by piece.

Croatia's defense minister, Luka Bebic, complained bitterly that his forces were "in a rather difficult position, because they lack the necessary munitions and weapons."

"We have amassed against us tanks, armored vehicles, aircraft and other equipment," he said at a news conference in Zagreb. "All of this creates a situation of disbalance."

Radio Zagreb accused the Yugoslav Army of transporting large numbers of Serbian guerrillas by land and sea from the southern republic of Montenegro to army barracks along the Dalmatian coast, to secure it after having effectively cut off access from Zagreb this week.

Noting that the forces were being brought in aboard assault craft, the radio said the Serbian units were taking up positions in the towns of Split, Sibenik and Benkovac.

The news came as Croatian forces were being battered on virtually all fronts. In Gospic, near the Adriatic, army-backed Serbian units pounded the city with artillery, causing fires in several neighborhoods.

In Osijek, on Croatia's eastern frontier, mortar and artillery shells fell on the besieged city for the fourth consecutive day.

But Croatian forces suffered their most jarring setback in Kostajnica, a lovely Sava River city on the frontier with Bosnia. There, 300 or so weary Croatian policemen and militiamen surrendered the city after sustaining several days of fierce attacks by Serbian guerrillas covered by army artillery fire.

School Daze in Moscow: Events Outpace the System

By Felicity Barringer
New York Times Service

MOSCOW — "Well, they have to change the geography lessons now," said 12-year-old Alyosha Prokofyev, a seventh-grader at Moscow's School No. 716. "The borders of this country aren't the same any more."

Alyosha's remarks, made as he and his schoolmates in the advanced mathematics class gathered for a watermelon feast, might be echoed in the fields of Soviet history and literature, although you could also get an argument on that point.

For a new generation of teachers in this once-monolithic education system, the argument would be the point. Three generations of received wisdom, once dutifully recited by rote, are being jettisoned far faster than new textbooks can be produced or old teachers retrained.

As a result, during the last several years of rapid-fire historical developments, students in big-city schools like this one in a working-class neighborhood of eastern Moscow find cognitive dissonance a way of life.

Their history and literature texts say one thing. The spanking new 1990 fifth-grade reader, for instance, talks approvingly of the "countries of Europe and Asia where people's democratic or socialist revolutions occurred and the workers and peasants took power into their own hands."

Those countries, it says, "have a common goal, a common task: strengthen the socialist struggle and build the most just society possible."

But their teachers say something quite different. And, at least in one big-city school, students seem comfortable thinking and saying whatever they wish. While the failed coup and the dissolution of the country they were born in just turned geopolitics upside down, the Soviet education system began to crumble several years before.

The first stirrings of change in the education system were visible as early as 1987 or 1988, but were largely confined to progressive schools in large urban areas. Even now, many schools in the provinces have changed little, journalists who cover the schools say. But changes have been far-reaching in schools like School 716, which is typical of most in the capital, but one that educational experts say has worked harder than some to shed the old baggage of the educational bureaucracy.

Where once every school across the Soviet Union studied the same textbooks at the same time, many alternative schools have developed. And in big cities, state schools have gradually started to go their own way, teaching the Bible as part of literature — something unimaginable in the staunchly atheist days of Communist rule.

'Everything is written from a different point of view now, at least in history.'
Alyosha Prokofyev, a Moscow seventh-grader.

"There's very little overlap between the old program and the new one, at least as far as literature goes," said Alyosha. "We have an entirely different program. But the text has the same old verses as before."

"There's a re-evaluation of the value of literature," said Grigori N. Yakovlev, who heads the school's literature department. "We didn't wait for the state to give us a new curriculum. We put it in ourselves."

"The problem is the texts," he said. "They're all old. They use excerpts from works we're not studying any more. This means the teachers have to remake the lessons, prepare themselves for something they've never taught before."

Emil Tseitlin, a literature teacher at School 716, said: "In older classes, we are perfectly free to teach Bulgakov and Solzhenitsyn," referring to the acidly comic, surrealist novelist and playwright Mikhail A. Bulgakov, and to Alexander I. Solzhenitsyn, whose encyclopedic works on political prisons and the strangulation of the individual in Soviet life earned him opprobrium and involuntary exile.

"But where do we get the books?" she asked.

Amid the intellectual turmoil, some things remain constant: not enough texts, not enough furniture, not enough classrooms, not enough pay for teachers.

School 716 has no special emphasis, unlike some of the city's more prestigious schools, referred to as "mathematics," "English," or "French" schools. This school works a double shift to accommodate its 1,000 students, although its director, Vera Zubnova, said there are a maximum of 30 students per class, and no more than 15 in special classes for those with behavioral or educational problems.

The average teacher's salary, after two raises in the last year, is about 350 rubles a month. A bus driver, on average, makes 600.

Anatoli Bernshtein, a former history teacher who now reports for the newspaper Uchitelskaya Gazeta, said: "The teachers are former students. They weren't taught very well. And the profession of teacher is not prestigious. People give lip service to the idea that it is prestigious, but it is not. So often the most talented people don't go into it."

A brief glimpse at School 716 showed that, if Mr. Bernshtein is right, there are still notable exceptions. In the fifth-grade computer class, Natalia Vasilyeva, with a tone as informal as the jeans and simple shirt she wore, asked students, lined up at a row of computers, "O.K., if you want to shift from Cyrillic characters to Latin letters, which keys do you press?"

"That's right," she continued, as two or three students answered at once. " 'Alpha' and then 'Fix.' Now, go over there and write down some of the English words you know."

One by one, 16 students paired up at the 10 available computers, giggling, whispering, and experimenting as Mrs. Vasilyeva strolled behind them.

Upstairs, Alyosha's mathematics class was taking its watermelon break, laughing and arguing boisterously. Their answers to a visitor's questions were anything but uniform.

For example, Natasha Kozlova said: "Lenin is the founder of our country. He still is. That hasn't changed."

But others were quick to disagree.

Alyosha said: "Everything is written from a different point of view now, at least in history."

Pointing to the fifth-grade textbook, with its approving references to communism, he said: "That text is written from one historian's point of view. Now there are more modern historians with different points of view. But you can't throw that book out. History is still history, even if it's written from another viewpoint."

Russia Seeks $15 Billion From Japan to Settle Kuril Dispute

Compiled by Our Staff From Dispatches

MOSCOW — The Russian Republic said Friday that it was seeking up to $15 billion in aid from Japan in exchange for a swift resolution of the dispute over four of the Kuril Islands, Tass reported.

The apparent decision by the largest Soviet republic to put a price tag on the islands' return to Japan met a cool response in Tokyo.

A delegation headed by Ruslan Khasbulatov, acting chairman of the Russian parliament, ended a five-day visit to Tokyo with a promise to speed up a settlement of the 46-year-old dispute over ownership of the islands and a plea for economic aid.

"The Russian leadership would like to get $8 billion to $15 billion in economic aid from Japan and hopes Tokyo will provide it in a gesture of goodwill in helping its neighbor settle its problems," Mr. Khasbulatov told Tass before heading home Friday.

A Japanese Foreign Ministry spokesman said that Tokyo welcomed Russia's willingness to speed up negotiations, and a more flexible stance on the islands dispute.

But Kunihiko Saito, deputy vice foreign minister, said that the lack of a concrete Soviet economic plan was preventing Japan from providing emergency financial aid.

"It needs money," he said. "But now it urgently needs food and medicine to tide it over the winter, so Japan will give priority to this kind of aid for the time being."

Mr. Saito said Japan would negotiate with both the Soviet central government and the Russian Republic over the islands, until the two governments had worked out a distribution of powers.

The conflict over the small islands off northern Japan, seized by the Soviet Union after World War II, has prevented Japan and the Soviet Union from signing a peace treaty and has held up major economic aid from Tokyo.

In other developments in the Soviet quest for aid:

- Chancellor Helmut Kohl of Germany, complaining that his country's coffers were not bottomless, called again on the United States to give more aid to the Soviet Union. "This great task cannot be left to just the Europeans," Mr. Kohl said Friday in a lecture in Berkeley, California.
- The U.S. Treasury secretary, Nicholas F. Brady, and Alan Greenspan, chairman of the Federal Reserve Board, will visit Moscow next week to hold high-level talks on the economic situation facing the Soviet Union.
- The EC Commission announced that a high-ranking Soviet delegation would visit EC headquarters in Brussels next week to ask for massive emergency food aid.

(AP, Reuters, AFP)

Adil Bradlow/The Associated Press

Soldiers keeping guard at Phola Park camp in Thokoza as police conduct a search. The operation was carried out out to stem the violence that has raged in the townships around Johannesburg.

2 South Africa Whites Sentenced to Die

DURBAN, South Africa (AFP) — Two white extremists were sentenced to death by the Supreme Court here Friday for murdering seven blacks in a machine-gun attack on a commuter bus in October.

David Petrus Botha, 47, and Adriaan Smuts, 38, members of the ultraright Order of the Boer People and neo-fascist Afrikaner Resistance Movement, had pleaded guilty to the charges.

They were convicted Thursday on seven charges of murder and 27 charges of attempted murder. The same day they had ended a 24-day hunger strike begun to press demands that they receive political prisoner status and be released under a government amnesty.

Mr. Botha told the court on Thursday that they had attacked the bus to avenge an attack that day by a group of blacks on white shoppers in this eastern resort city. One person died in the first attack.

Air France Denies Spying on Travelers

International Herald Tribune

PARIS — Air France, denying an allegation reported by NBC News that it helped France's spy agency garner corporate secrets, said Friday that it had never bugged its passengers or knowingly hired French intelligence officers as crew members.

"It is quite absurd to think we would put microphones in our seats," a spokesman for the state-owned airline said. "We categorically deny the charge that we have ever spied on our passengers."

"We have no knowledge that any of our staff belonged to the secret service," he added.

The allegation was part of a documentary news program broadcast on Friday in the United States in which Pierre Marion, the former French secret service chief, confirmed earlier news reports that France's General Directorate of External Security carried out a spying operation against U.S. high-technology corporations and their executives.

But Mr. Marion, interviewed Friday on French radio, denied the specific NBC News allegation against Air France, which was attributed to unnamed American intelligence experts and a private specialist in industrial espionage.

The French Foreign Ministry refused to comment on the report.

A representative of the NBC News program, "Exposé," said the network stood by its story in its entirety. It said the spying was part of "an elaborate industrial espionage campaign run by the French secret service."

Mr. Marion, who was appointed to head the French secret service in 1981 by President François Mitterrand, acknowledged that France spied on American companies, including IBM, Texas Instruments and Corning, that were involved in competition with French state-owned enterprises.

In May last year, L'Express, the French news magazine, citing intelligence sources in both Paris and Washington, disclosed the French spying operation. It described the cases involving IBM and Texas Instruments, which reportedly took place between 1987 and 1989. The report said that much of the spying was aimed at helping France's Groupe Bull. The state-owned computer company, however, denied that it benefited from any such corporate espionage.

A senior FBI official later publicly corroborated reports that U.S. agencies had discovered the French espionage operations against French branches of IBM and Texas Instruments. Last year, the State Department delivered a confidential protest to the French government, officials said, but U.S. diplomats in Paris refused to discuss the matter Friday.

Officials of IBM, Corning and Texas Instruments would not talk about the cases, either. But government and business sources confirmed that all three companies dismissed executives who had apparently gained employment in an attempt to gather corporate secrets.

It was not clear how much damage the spying had done to the American companies.

Industrial espionage is widely practiced by many companies. Many Western governments also gather industrial and technical information on behalf of their companies. Apart from the old Communist bloc, U.S. intelligence officials contend, France has long been among the most aggressive users of espionage to collect foreign industrial and technological secrets.

With the Cold War ended, officials of the CIA and other U.S. intelligence agencies have acknowledged that they are redirecting efforts away from traditional spying toward gathering information aimed at ensuring that the United States remains economically and technologically competitive.

William H. Webster, the director of the CIA, said last year that the agency would be seeking to spot trends, monitor trade negotiations, follow emerging technologies and keep abreast of "what our competition is doing" so "to confront it or confound it."

But both the CIA and the National Security Agency, which eavesdrops on foreign communications, have said they focus on general economic intelligence and only share information with specific companies if they are likely to become victims of improper activities by overseas competitors.

New Commission To Investigate Wallenberg Case

New York Times Service

STOCKHOLM — The Swedish government said Friday that a new commission would probably meet in Moscow within two weeks to begin investigating what happened to Raoul Wallenberg, the Swedish diplomat who saved tens of thousands of Hungarian Jews during World War II.

"We are optimistic," said Pierre Schori, Swedish undersecretary of state for foreign affairs. "Now is the time at last to find the truth."

Mr. Schori said the commission would include Swedish diplomats; Guy von Dardel, Mr. Wallenberg's half-brother; Soviet representatives, and perhaps some from other countries like the United States.

Mr. Wallenberg was seized by the Soviet Army when it captured Budapest in 1945. He was taken to the Soviet Union, where he disappeared into Stalin's prison system.

In 1957, the Soviet government produced what it said was a document proving that Mr. Wallenberg died of a heart attack in a Moscow prison in 1947.

Mr. Wallenberg's family and supporters have never believed it. There have been reported sightings of Mr. Wallenberg in Soviet prisons or camps during the decades since. If alive, he would be 79.

Defector Sees North Korea Bomb in Year

Compiled by Our Staff From Dispatches

SEOUL — North Korea is capable of producing nuclear weapons within a short time and would use them to protect its system, a senior North Korean defector said Friday.

The defector, Ko Young Kwan, 38, is a former diplomat who sometimes acted as interpreter for President Kim Il Sung in his dealings with French-speaking Africans. Mr. Ko is the highest-ranking official from his country ever to seek asylum in the South. His last assignment was as first secretary at the North Korean Embassy in Congo.

"North Korea will be able to manufacture nuclear weapons within the next one to two years," Mr. Ko said, "and such opinions have spread among other North Korean diplomats. North Korean leaders regard nuclear weapons as the last means they can resort to to protect their system."

According to Mr. Ko, Pyongyang never had any intention of signing an international nuclear inspection agreement and was just trying to buy time until it could produce its own nuclear arms. In June, North Korea told the International Atomic Energy Agency that it would sign an accord permitting international inspection of its nuclear installations.

Mr. Ko, who served as a diplomat in Africa from 1979, said Pyongyang's attitude toward the South was: "No matter what you have now and how well you live, we have the weapons."

He said North Korea had a secret underground weapons center at Bakchon, about 100 kilometers (60 miles) north of Pyongyang.

North Korea's main nuclear research site is reportedly in the Yongbyon district, 88 kilometers north of Pyongyang.

(Reuters, AP)

Beijing Expels British Journalist

Washington Post Service

BEIJING — The government on Friday ordered the expulsion of a British journalist in apparent retaliation for his reporting on ethnic unrest in Inner Mongolia.

Andrew Higgins, 33, the Beijing correspondent for the British newspaper The Independent, was told by public security officials to leave by Sunday. He is the first resident correspondent to be expelled since two Americans were ordered out after the 1989 crackdown on democracy demonstrators.

WORLD BRIEFS

2d Night of Riots in English Port City

NEWCASTLE, England (AP) — Hundreds of rioters hurled stones at policemen and set fire to a post office during a second straight night of violence in this northeastern port city, the police said Friday.

Newcastle is the fourth British city to be hit by riots this month. Rioting by youths has also occurred in Oxford, in the Welsh capital of Cardiff, and in North Shields in northeast England. Some of the youths involved in the violence on Thursday said they were protesting the deaths on Sept. 6 of two young men who were killed in the crash of a stolen car while it was being chased by the police.

About 500 youths were involved in the rioting on Thursday, which broke out in an inner-city area of rundown housing projects. The British Press Association quoted a local resident as saying that fire fighters were initially chased away by youths throwing stones.

Bush Gets a 'Perfect Bill of Health'

WASHINGTON (AP) — President George Bush's heartbeat has been "entirely normal" since he stopped taking medication to regulate it, his doctors said Friday, and the president said he had received a "perfect bill of health" in a complete medical checkup.

The White House said last week that Mr. Bush no longer required the medication. Since he stopped taking it, "all of the tests have been completely normal," said his personal physician, Dr. J. Burton Lee 3d. On Friday, Mr. Bush also was taken off Coumadin, a drug that is prescribed to prevent blood clots, Dr. Lee said.

Rabat Frees Dissident Held Since '74

RABAT (Reuters) — Abraham Serfaty, one of Africa's longest-serving political prisoners, was expelled from Morocco on Friday, the official news agency MAP said.

Mr. Serfaty, 65, leader of the outlawed Marxist-Leninist movement Ilal Amam, was jailed for life by a Casablanca court in 1977 for plotting to overthrow the monarchy of King Hassan II. At that time, he had already been held since 1974. The agency said that on orders from the Interior Ministry he was put on an Air France flight from Casablanca to Paris.

After his arrival in Paris, French human rights campaigners welcomed Mr. Serfaty's release but said they would continue to fight for the freedom of other political prisoners, including former soldiers they say are held in appalling conditions in a remote dungeon at Tazmamart in the Atlas mountains.

Shuttle Crew Tests Research Satellite

CAPE CANAVERAL, Florida (AP) — Astronauts aboard the space shuttle Discovery made a successful test Friday of a complex research satellite that scientists hope will tell them where and why the Earth's ozone layer is shrinking.

The space shuttle, which was launched Thursday night on a five-day mission with a crew of five, is carrying the Upper Atmosphere Research Satellite, the first in a series of orbiters that are part of an environmental research project.

National Aeronautics and Space Administration officials said an extensive checkout of the observatory in the cargo bay, involving more than 200 computer commands sent from the ground, showed it to be in good shape. It was to be deployed on Saturday.

Youths Damage Warsaw's Synagogue

WARSAW (NYT) — Shouting anti-Semitic slurs, a group of six drunken Polish youths vandalized the entrance of the Warsaw synagogue Friday morning and beat an elderly leader of the Jewish community.

The youths began throwing bottles at the synagogue but were accosted by two members of Warsaw's Jewish community staff, which is housed in the same building, said Pawel Wildstein, one of the two members. The other, Maximilian Szlejf, who is in his mid-70s, was hospitalized and released with a broken nose, Mr. Wildstein said. Three of the six youths, ages 17 and 18, were detained by the police.

Corrections

A headline in one edition Thursday misrepresented a Norwegian poll on joining the European Community. Among respondents, 36 percent opposed Norwegian membership and 32 percent approved, with the rest undecided.

A New York Times article in Friday's editions about U.S. legislation to create a supercomputer network linking federal research centers, universities and corporations misidentified one of the agencies that would receive new financing. It is the National Aeronautics and Space Administration, not the National Air and Space Museum.

TRAVEL UPDATE

KLM Royal Dutch Airlines has been granted permission by the U.S. Department of Transportation to operate scheduled services between Amsterdam and Detroit, the Dutch carrier said Friday. KLM did not disclose when the service would start. *(UPI)*

Finland plans to tax air and sea travel to other countries, a Transport Ministry official said Friday. A government plan, likely to be endorsed next week, would collect 200 markkaa ($48) on all flights abroad, 100 markkaa on sea trips of 100 to 200 sea miles and 150 markkaa on longer voyages. News of the planned tax has brought protests from the Soviet Union and Sweden, Finland's eastern and western neighbours, as well as from Germany. *(Reuters)*

The final stretch of the Lisbon to Oporto freeway was opened on Friday, more than 30 years after work first started on the 295-kilometer link between Portugal's two biggest cities. The opening of the 87-kilometer section between Torres Noves and Condeixa is expected to reduce traveling time between the two cities to under three hours. *(AP)*

The Weather

Forecast for Sunday through Tuesday

North America
Abnormal, sweltering heat will persist through Tuesday in the Southern states. It will turn hot Monday from Washington, D.C., to Boston as thunderstorms and the heat from Dallas to Chicago, California will be sunny and warm, even hot.

Europe
The weather across Great Britain will be unsettled Sunday through Tuesday. London will have scattered showers. Paris and northern France will most likely be raintree with some sunshine. Southern France and Spain will be sunny and warm.

Asia
After a brief pass through northern Japan, T.S. Kinna will race out to sea Sunday. Improvement will follow, and Tokyo will turn mainly dry. Seoul will be dry Sunday, then it may turn showery. Hit-or-miss thunderstorms will pop up from Manila to Singapore.

Europe

	Today High	Today Low	Wx	Tomorrow High	Tomorrow Low	Wx
Algarve	25/77	17/62	pc	27/80	18/64	pc
Amsterdam	18/64	8/46	c	20/68	9/48	c
Athens	30/86	18/64	s	32/89	17/62	s
Barcelona	29/84	17/62	pc	30/86	18/64	s
Belgrade	28/79	15/59	t	24/75	12/53	sh
Berlin	17/62	8/46	pc	18/61	7/44	pc
Brussels	18/64	9/48	c	19/66	9/48	c
Budapest	23/73	11/52	t	24/75	9/48	s
Copenhagen	16/61	7/44	r	14/57	6/46	sh
Costa Del Sol	27/80	17/62	c	24/75	17/62	s
Dublin	19/66	12/53	c	19/66	10/50	s
Edinburgh	16/61	6/43	c	14/57	7/44	r
Florence	28/79	14/57	sh	24/75	13/55	pc
Frankfurt	20/68	9/48	pc	18/64	10/50	pc
Geneva	22/71	12/53	pc	21/70	9/48	pc
Helsinki	18/64	9/48	c	17/62	9/48	sh
Las Palmas	25/77	18/64	pc	23/73	17/62	pc
Leningrad	18/64	10/50	c	17/62	9/48	pc
Lisbon	27/80	17/62	pc	27/80	18/64	pc
London	19/66	9/48	c	19/66	9/48	pc
Madrid	27/80	13/55	sh	31/88	14/57	s
Milan	24/75	12/53	sh	23/73	11/52	pc
Moscow	17/62	8/46	pc	22/71	14/57	pc
Munich	17/62	9/48	pc	18/61	8/46	pc
Nice	24/75	14/57	s	23/73	14/57	pc
Oslo	14/57	5/41	r	13/55	9/48	sh
Paris	21/70	9/48	pc	22/71	10/50	pc
Prague	22/71	9/48	pc	20/68	9/48	pc
Reykjavik	14/57	5/41	pc	15/59	5/41	pc
Rome	28/77	17/62	t	26/79	16/61	pc
Stockholm	14/57	8/46	r	13/55	8/46	c
Strasbourg	20/68	9/48	pc	18/64	11/52	c
Tallinn	18/64	10/50	c	17/62	9/48	sh
Venice	25/77	13/55	sh	24/75	13/55	pc
Vienna	23/73	11/52	pc	21/70	9/48	pc
Warsaw	23/73	11/52	pc	21/70	9/48	pc
Zurich	21/70	11/52	pc	21/70	9/48	pc

Middle East

Ankara	28/79	11/52	s	23/73	10/50	pc
Beirut	32/89	22/71	s	32/89	22/71	s
Cairo	29/84	16/61	s	32/89	17/62	s
Damascus	34/93	17/62	s	35/95	22/71	s
Istanbul	26/79	13/55	s	24/75	14/57	pc
Jerusalem	27/80	11/52	s	28/82	13/55	s
Riyadh	40/104	26/79	s	41/106	27/80	s

Asia

	Today High	Today Low	Wx	Tomorrow High	Tomorrow Low	Wx
Bangkok	33/91	25/77	pc	33/91	25/77	pc
Beijing	29/84	19/66	pc	28/82	20/68	pc
Hong Kong	31/88	26/79	pc	30/86	25/79	pc
Manila	33/91	26/79	pc	32/89	25/79	pc
New Delhi	32/89	26/79	pc	33/91	25/79	pc
Seoul	28/82	18/64	t	26/79	19/66	pc
Shanghai	29/84	20/68	pc	28/82	20/68	pc
Singapore	31/88	26/79	pc	31/88	26/79	pc
Taipei	31/88	26/79	pc	30/86	26/79	pc
Tokyo	29/84	24/75	t	29/84	24/75	sh

Africa

Algiers	34/93	17/62	pc	32/89	17/62	pc
Cape Town	18/64	9/48	pc	18/64	9/48	pc
Casablanca	25/85	22/71	s	24/75	22/71	s
Harare	29/84	20/68	pc	29/84	20/68	pc
Lagos	29/84	25/77	pc	31/88	25/77	pc
Nairobi	24/75	14/57	pc	23/73	14/57	pc
Tunis	33/91	18/64	s	33/91	18/64	s

Latin America

Buenos Aires	26/79	14/57	pc	26/79	14/57	pc
Caracas	31/88	25/77	pc	32/89	25/77	pc
Lima	18/64	13/55	pc	17/62	13/55	pc
Mexico City	24/75	11/52	t	25/77	14/57	pc
Rio de Janeiro	27/80	19/66	pc	27/80	19/66	pc
Santiago	23/73	6/43	pc	22/71	6/43	pc

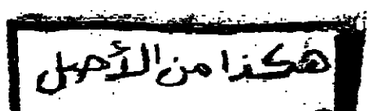
North America

Anchorage	14/57	8/46	r	13/55	8/46	r
Atlanta	33/91	23/73	pc	32/89	21/70	s
Boston	22/71	14/57	s	22/71	16/61	pc
Chicago	32/89	21/70	pc	29/84	14/57	sh
Denver	28/82	10/50	pc	24/75	9/48	pc
Detroit	27/80	17/62	sh	31/88	13/55	s
Honolulu	31/88	25/77	pc	31/88	24/75	pc
Houston	34/93	24/75	pc	33/91	23/73	t
Los Angeles	27/80	18/64	s	25/77	17/62	s
Miami	32/89	25/77	pc	32/89	25/77	pc
Minneapolis	27/80	17/62	t	22/71	10/50	sh
Montreal	21/70	11/52	s	20/68	11/52	pc
Newport	22/80	24/75	t	32/89	24/75	pc
New York	25/77	17/62	pc	27/80	19/66	pc
Phoenix	37/98	24/75	s	37/98	23/73	s
San Fran.	24/75	13/55	s	22/71	13/55	s
Seattle	20/68	8/46	s	22/71	11/52	s
Toronto	23/73	14/57	pc	24/75	15/59	pc
Washington	28/82	20/68	s	29/84	22/71	pc

Oceania

Auckland	12/53	8/46	r	13/55	6/46	sh
Sydney	25/77	13/55	pc	25/79	13/55	pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice. All maps, forecasts and data by AccuWeather, Inc. ©1991



Steve Helber/The Associated Press

Governor Wilder, left, greeting the actor Arnold Schwarzenegger on a visit to a school in Virginia.

Governor Wilder Runs for President

The Associated Press

RICHMOND, Virginia — Governor L. Douglas Wilder of Virginia, the first elected black governor, entered the 1992 Democratic presidential campaign Friday with a promise to cut tens of billions of dollars in wasteful federal spending and restore a dream that "is fading for all too many" Americans.

"For more than 20 years I have challenged the old ways of thinking in pursuit of a promise for a better tomorrow for all Virginia," said Mr. Wilder, 60, a grandson of slaves who now presides over a state that once closed its schools rather than integrate them.

"I cannot stand on the sidelines while the country I love stumbles further back," said Mr. Wilder, acknowledging that he was the "longest of long shots" in the campaign.

He said he was running because he did not want to see the "American dream becoming all the more elusive for the majority of Americans."

Mr. Wilder became the second major Democratic candidate to enter the race, joining a former senator from Massachusetts, Paul Tsongas. Senator Tom Harkin of Iowa was to declare his candidacy on Sunday, and two more entries are likely by early October: Senator Bob Kerrey of Nebraska and Governor Bill Clinton of Arkansas.

Mr. Wilder criticized the leaders of both political parties for their economic policies and sharply attacked Mr. Bush's views on civil rights. He said Mr. Bush was "deliberately trying to take us back" on civil rights.

The White House press secretary, Marlin Fitzwater, said Friday that he expected President George Bush to seek a second term next year. Mr. Bush scores strongly in public opinion polls.

Rich in U.S. Got Richer From 1980s Tax Cuts

By Tom Kenworthy
Washington Post Service

WASHINGTON — In a new study of federal fiscal policies, an independent group concludes that the tax cuts enacted in the 1980s enriched the wealthy, increased the tax burden of the middle class, and grossly inflated the national debt.

At the same time, according to the study, by Citizens for Tax Justice, federal spending on the military, interest payments and deposit-insurance bailouts has soared while the normal government services most Americans receive have been cut back.

"Middle-income people have reason to be mad at the government," said Robert S. McIntyre, director of the organization. "It's charging them more and giving them less."

The study is the latest of a growing pile of analyses of federal fiscal policy during the 1980s, when President Ronald Reagan promised to cut taxes, build up military and and balance the federal budget.

It is also the latest study to be seized on by congressional Democrats hungry for an issue — tax fairness — that they hope will recapture the affections of voters who believe their party stands only for higher taxes and more government spending.

The study concludes that the tax cuts — the bulk of which came during the Reagan years — have resulted in lower overall federal tax burdens for only the very poorest and very richest of taxpayers. Most other families are paying a greater percentage of their family income to the government than they would have had the tax code remained unchanged since 1977.

According to the study, the cumulative impact of the tax cuts enjoyed by the richest 1 percent of American families — those with incomes of an average of $676,000 a year — has been to add more than $1.1 trillion to the national debt. For 1992 alone, the study says, the government is losing about $164 billion from the tax cuts for this small slice of the citizenry.

What's Left of the Real Judge Thomas?

By Linda Greenhouse
New York Times Service

WASHINGTON — In his testimony before the Senate Judiciary Committee, Judge Clarence Thomas has repeatedly talked about the process of transforming himself from an executive branch official and fighter of ideological battles into a judge.

Judge Thomas, 43, has spoken of his efforts to "shed the baggage of ideology" and to "stop accumulating new opinions" in the year and a half since he was confirmed to his current seat on the U.S. Court of Appeals for the District of Columbia Circuit.

NEWS ANALYSIS

"When one becomes a judge, it's an amazing process," he said Wednesday. "You want to be stripped down like a runner."

Asking the senators to discount the strongly held views he expressed in speeches and articles as the Reagan administration's top civil rights official, Judge Thomas said he had given up the role of advocate and was now striving for impartiality.

"You begin to walk away from that constant development of new policies," he said Thursday.

He has painted a vivid image of a man methodically ridding himself not only of old ideas and even the desire to form new ones, but also of traits and attitudes that have formed the essence of his adult personality, to the extent that old friends now regard him as a "worthless conversationalist," as he ruefully noted at one point.

So it was perhaps inevitable that someone would ask him, as Senator Herbert H. Kohl, Democrat of Wisconsin, did Thursday, "If you do leave so much of this behind, what's left?"

In a way, that is the core question that senators have to answer to their own satisfaction in evaluating Judge Thomas's nomination to the Supreme Court. If they take him at his word that he is assiduously shedding his old self, what is his new self, and what kind of judge would he be?

Judge Thomas made a brief attempt to answer the question posed by Mr. Kohl. What was left, he said, were his "underlying concerns and feelings about people being left out, about our society not addressing all the problems of people."

He added: "I'll take those to the grave with me," along with his personal experiences and the strength he got from his grandparents.

Mr. Kohl was polite but unsatisfied. "We didn't get a good answer," he said later in an interview. "We got much conversation, but not an answer. Who this man really is, I don't really know."

The contrast between Judge Thomas and the last Supreme Court nominee, David H. Souter, whom the Senate confirmed last year, is striking.

Justice Souter, who had been attorney general of New Hampshire and had served eight years on the New Hampshire Supreme Court, had not spoken or written on controversial issues.

Before Justice Souter's confirmation hearing, his critics raised the question of whether the soft-spoken, scholarly judge had enough experience in the everyday world to tackle the profound social and political questions that come before the court.

He largely allayed those concerns in three days of testimony before the Judiciary Committee by demonstrating a mastery of the broad currents as well as obscure nuances of modern constitutional law.

By contrast, Judge Thomas's liability, perceived by the nominee himself as well as by his critics, is the "baggage" of his extensive public involvement on the stage of ideological controversy.

As his exchange with Mr. Kohl demonstrated, this concern is more difficult to allay. Justice Souter did not feel pressed to remake himself; rather, his fluent testimony gave the impression that his entire adult life had been a natural preparation for that moment.

On the other hand, in his strenuous efforts to fit what he has described as the proper judicial role, Judge Thomas has at times given the appearance of having wrenched himself from his most authentic personal moorings.

It is not an easy transition.

During the hearings, there has been a striking contrast in tone between Judge Thomas's discussion of his record as chairman of the Equal Employment Opportunity Commission and his discussion of judicial issues.

His deep voice is guarded, almost flat, when he talks about the court. But he is noticeably more animated when he talks, even under the pressure of hostile questioning, about his years in the executive branch.

Yet, even if the process of transformation was not so visibly awkward, questions would remain about Judge Thomas's premise.

Is it desirable or even conceivable for judges to break with their past, to divest themselves of old ideas and stop accumulating new ones? Is there such a thing as true objectivity?

Exchange on Abortion

The Associated Press

WASHINGTON — The Supreme Court nominee, Judge Clarence Thomas, told the Senate Judiciary Committee on Friday that he never "endorsed or supported" an anti-abortion essay he once praised.

Senator Patrick J. Leahy, Democrat of Vermont, asked him whether he had reached the same conclusion as the essay — that "all abortion is unconstitutional."

Judge Thomas responded, "I have not, nor have I ever endorsed or supported this conclusion."

In a 1987 speech, Judge Thomas called the essay "a splendid example of applying natural law."

As he began his fourth day and perhaps final day of testifying before the committee, however, most of the questions did not deal with abortion. When Mr. Leahy asked Judge Thomas about government funding with strings attached, Judge Thomas said he "would have deep concerns" over government funding tied to how people conduct their lives.

AMERICAN TOPICS

A U.S. Renaissance For Pawnbrokers

Pawnbroking, often called the world's second oldest profession, is having an American renaissance, The New York Times reports. Known as lenders of last resort for the poor, pawnshops are increasingly used by more affluent customers, hard hit by recession-related layoffs, bankruptcies, foreclosures, tight credit, and such modern maladies as high medical bills and costly divorce settlements.

"On any given day, you'll see as many suits and ties come in here as blue jeans and T-shirts," says Tod Gordon, owner of Carver W. Reed, a Philadelphia pawnbroker.

Pawnshops profit by making loans in exchange for items — jewelry, fur coats, cameras, TV sets, toolboxes, skateboards — that serve as collateral. Monthly interest rates plus storage and handling fees range from 2 percent, the legal maximum in Connecticut, to 24 percent in Mississippi. If the loan is not paid on time, the collateral is forfeited, and then goes on sale, often at rock-bottom prices. Pawnshops are popular with people looking for bargains.

Pawnbroking dates to the Germanic Lombards who settled in northern Italy around 500 A.D. The shield of St. Thomas of Lombard included three gold purses. This evolved into the symbol of three balls that adorn many pawnshops.

Short Takes

Africanized bees stung a 65-year-old man more than 300 times in their first major attack since entering the United States from Mexico last October. Adan Garza was hospitalized overnight at McAllen, at the southern tip of Texas, and released. "Killer bees," as they also are called, have been spreading through the Americas since 1957, when several escaped from an experiment in Brazil and began breeding with more docile bees of European ancestry. Since then about 600 deaths have been attributed to the bees in Latin America.

A monument to the Buffalo Soldiers, black cavalrymen who patrolled the West from 1866 to the turn of the century, will be dedicated at Fort Leavenworth, Kansas, in July. The main speaker will be General Colin L. Powell, chairman of the Joint Chiefs of Staff, who suggested the monument in 1981 during a tour of duty at Fort Leavenworth. The centerpiece of the monument will be a 14-foot (4.3-meter) statue of a black trooper on a rearing horse. The sculptor is Eddie Dixon of Lubbock, Texas, a black veteran of the Vietnam War. The Buffalo Soldiers, organized into the all-black 9th and 10th Cavalry Regiments, were so nicknamed by their Indian foes for their dogged fighting.

"This is the 'soft age' of baseball. Players are petted and pampered in a way unknown to the old-timers. While probably their equal mechanically, seldom do they devote much time to mastering the inside part of the game." So reads a Los Angeles Times article written by Harry A. Williams in 1920. In reprinting excerpts, the Times remarked this week, "Maybe little has changed in 70 years."

The column by Ken Jackson, book editor of the Tulsa (Oklahoma) World, quoted a local bookstore owner as saying that a new book, "Carry Up My Bones," is "insightful, faithful, and powerful," and destined to become a classic. Another reader said, "The characters live and breathe on these pages." After more in this vein, Mr. Jackson revealed in the last sentence of his column, "I wrote 'Carry Up My Bones.'"

But he didn't leave it at that. A few days later, the World ran a glowing review of the book. Mr. Jackson says he selected the review from several written before the book was published. "Naturally," he said, "I picked one that I liked pretty well. This one was not only the most favorable but the most perceptive."

Arthur Higbee

Chamorro Vetoes Effort to Get Land From Sandinistas

New York Times Service

MANAGUA — In a move putting her at loggerheads with the coalition that brought her to power, President Violeta Barrios de Chamorro has vetoed legislation intended to roll back the property giveaway mounted by the Sandinista Front before it handed over power last year.

Although she asserted in her veto announcement that the measure reversing what is widely called "la piñata" was unconstitutional, the political leaders who were her allies throughout a decade of opposition to the Sandinistas accused her of caving in to Sandinista pressures and threats.

"Only the Supreme Court can declare a law constitutional or unconstitutional," Alfredo César, president of the National Assembly, said at a news conference Thursday. "The problem of property is a profound problem of Nicaraguan society, and it was deepened by the abuses committed between February and April of 1990."

Governor Is Accused Over S&L Deal

By Susan Schmidt
Washington Post Service

WASHINGTON — Governor J. Fife Symington of Arizona engaged in "blatant self-dealing" while a director of a now failed Phoenix savings and loan and should be sued for recovery of millions of dollars in taxpayer funds, according to an internal memo by high-ranking government lawyers.

Mr. Symington, a Republican who won the governorship in a runoff election in February, was developer of the huge Camelback Esplanade hotel-office-retail project in Phoenix, which resulted in a $52 million loss to Southwest Savings & Loan Association.

He also served as a director at Southwest in 1983 when the Camelback project was approved. Southwest failed in 1989, at a cost to taxpayers estimated at $941 million.

Mr. Symington invested only $432 of his own money in buying property for the Camelback project but got a large profit from a share in it and earned more than $8 million in development fees, according to a June 12 memo by lawyers for the agency that was created by Congress to dispose of failed thrifts. The memo was sent to L. William Seidman, chairman of the agency, Resolution Trust Corp.

"Symington spent Southwest's funds with reckless abandon," the memo said. It added that he had "reaped a huge personal financial benefit and then walked away from the project virtually untouched."

Mr. Symington, in a telephone interview Thursday, described the memo as "a blatant attempt to smear me." He called the allegations "nonsense" and added, "It's obvious the people working on it don't understand the project."

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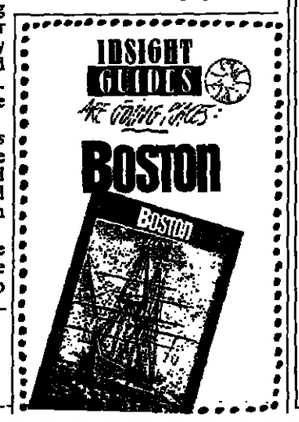

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Afghan War: No Early End Is in Sight

By Steve Coll
Washington Post Service

NEW DELHI — The announcement that the United States and the Soviet Union will stop arms shipments to combatants in Afghanistan by the end of the year is unlikely to bring that devastated country's civil war to an end anytime soon.

Indeed, the question confronting Afghans is not whether there will be more bloodshed, but how much.

Afghanistan's largely forgotten civil war is today a complex mosaic of tribal, ethnic and political rivalries that has produced scores of shifting internecine battles since Soviet troops withdrew from the country in February 1989. Many of those battles have been beyond the purview of the superpowers and are likely to remain so.

There persists an overarching war in Afghanistan between the two opposing forces sponsored by Washington and Moscow during the 1980s.

On one side is the Soviet-backed government in Kabul, originally

NEWS ANALYSIS

Communist but now backpeddling quickly toward capitalism and democracy. On the other side stand the U.S.-backed Afghan mujahidin, a patchwork of tribal warriors and Islamic fundamentalists who fought determinedly against Soviet troops but turned their guns on each other once Soviet soldiers were gone.

Within this broad conflict lie dozens of sub-conflicts — tribal, ethnic, religious and political. The subconflicts have produced sometimes strange, often shifting alliances of combatants. These alliances have been further complicated by the roles of nearby countries like Saudi Arabia, Pakistan and Iran, each of which has its own favored factions to which it supplies guns and money in pursuit of regional influence.

Much of the fighting in the past year has been for control of the approximately one dozen major cities and towns controlled by Kabul. Other battles have raged between rival mujahidin factions in the countryside. The sporadic clashes have produced few tangible results other than the fall of the government garrison town of Khost to the mujahidin and setbacks for the resistance in the Logar Valley near the capital.

Friday's announcement would appear to put the greatest pressure on President Najibullah, a leftist revolutionary turned staunch nationalist who has survived in office for nearly six years despite coup attempts, factionalism in his own government and the enmity of most of his countrymen.

Mr. Najibullah has survived through a combination of deft political maneuvering and the relentless use of Soviet arms against the U.S.-backed rebels. Now that Moscow has pledged to cut off the president's access to weaponry, it remains to be seen how long his generals will stand by him.

On the resistance side, the two most influential figures are seen as Gulbuddin Hekmatyar and Ahmed Shah Masoud, allies against the Soviets but blood rivals in nearly everything else. Mr. Masoud is a proven military commander who runs much of northeastern Afghanistan as a tribal fiefdom with the tacit blessing of Kabul. Mr. Hekmatyar is a radical Islamic political leader who has been the main beneficiary of Pakistan's largess and has armed thousands of guerrillas across Afghanistan.

Guerrillas allied with the two leaders have been fighting battles across the north and east of Afghanistan for two years. If Mr. Najibullah wobbles in Kabul, the two men might blast their way toward the capital, as they have threatened for some time. If they do, there will probably be scores of other mujahidin factions ready to join the fray.

For much of the last year, the United States, the Soviet Union and the UN have been trying without success to persuade the Afghan factions and regional powers to sort out this tangle through political dialogue. The announcement Friday appears to mark a decision by the superpowers to wash their hands of the affair and leave the many unresolved details to the UN and the Afghans.

The question facing Afghan leaders is whether they will set aside past differences and turn serious attention to a political solution, or whether they will try to settle their scores through open warfare. As both Kabul and the rebels have stockpiled weapons, some continued conflict would appear inevitable. The more frightening prospect is that the recent pattern of sporadic battles might evolve into open, bloody chaos.

AFGHANS: *End to Arms Sales*

(Continued from Page 1)

though, is disengage the superpowers from that conflict, which might help promote a resolution.

The Soviet Union invaded Afghanistan in December 1979 to replace an Afghan regime whose loyalty to Moscow was growing shaky.

In 1988, in talks in Geneva sponsored by the United Nations, the Soviets pressed the United States to agree to a cutoff in all arms supplies by Washington — and by its allies Saudi Arabia and Pakistan — to the anti-Soviet Muslim rebels seeking to topple Mr. Najibullah. This was designed to be in return for a Soviet pullout, but Washington refused. The Soviets pulled out anyway, and continued to pump arms into Afghanistan to support the Najibullah regime.

Since then the two superpowers, each of which has grown a bit disenchanted with its Afghan allies, have been trying to work out an agreement for a simultaneous arms cutoff, as well as an arrangement for installing a transitional government to conduct elections.

Agreement on these latter issues always foundered on the refusal of Mr. Najibullah to step aside early in the transitional process to assure the rebels that elections would be free and fair.

The Muslim rebels have refused to take part in such a transition as long as Mr. Najibullah remains in power in Kabul.

Neither Mr. Baker nor Mr. Pankin was prepared to say for sure that the rebels or Mr. Najibullah would now be prepared to bridge their differences, or that Saudi Arabia and Pakistan would be certain to join the arms cutoff.

What the two men essentially agreed upon Friday was to end their own arms sales and to turn over the whole question of a settlement of the Afghan conflict to the United Nations.

■ **UN Chief to Press Saudis**

Buoyed by the U.S.-Soviet agreement, the UN secretary-general, Javier Pérez de Cuéllar, flew to Saudi Arabia on Friday to try to persuade the Saudis to follow suit, Reuters reported from Tehran.

The UN chief traveled from Iran, where he called on Afghan guerrilla chiefs and President Ghulam Ishaq Khan of Pakistan to do all they could to stop the fighting and give his five-point peace plan a chance to work.

Saudi Arabia has been providing military aid to a hard-line rebel faction in Pakistan led by Gulbuddin Hekmatyar, who has not so far subscribed to the UN plan for a cease-fire, an interim administration and free elections.

New KGB Chief To Baker: Let's Cut the Spying

New York Times Service

MOSCOW — Secretary of State James A. Baker 3d paid a visit Friday to the office of the new chairman of the KGB, who told his American guest that it was time for the Soviet secret police and the Central Intelligence Agency to reduce their spying on each other.

"I think that on a mutual basis we will do that," the KGB chief, Vadim V. Bakatin, said.

"In the KGB, there is a principal question: Who is our adversary?" Mr. Bakatin added. "And now the KGB has lost that adversary. So we have to work a lot in order to acquire a new image where we do not have any enemies at all."

"I don't think anything could symbolize the changes going on in the Soviet Union today any better than the fact that the secretary of state of the United States of America is meeting here in KGB headquarters," Mr. Baker said.

Pavel Rahman/The Associated Press

FLOODING IN BANGLADESH — A mother and her baby looking for drinking water Friday in a Dhaka suburb. At least 210 people have died in the flooding, and material damage is heavy.

RAID: *Palestinian and Captive Die*

(Continued from Page 1)

landed near a UN guard post manned by French soldiers, who took the gunmen prisoner.

The second dinghy landed further south, and the Palestinians in it took hostage two groups of unarmed UN soldiers who happened to be passing by on the beach, Mr. Goksel said. The hostages included six Swedish men and eight French men. The Palestinians took over an abandoned house on the beach with their hostages and demanded safe passage out of the area.

Within minutes, Mr. Goksel said, the building on the southern outskirts of Naqoura was surrounded by troops of the South Lebanese Army, which patrols the strip of Lebanese territory Israel controls as a "security zone" along its northern border.

According to Mr. Goksel's account, a French lieutenant colonel serving with Unifil arrived on the spot and passed through the South Lebanese Army lines to reach the building, where he began negotiating with the Palestinians. But later, one of the armed men stepped outside the shack.

Mr. Goksel said a shot was fired by an unknown party, and the South Lebanese Army opened fire on the building, hitting many of those inside.

"What's bothering us is that the SLA opened fire when it was clear that Unifil negotiators were in place inside," Mr. Goksel said.

An Israeli military official gave a different account. He said South Lebanese Army troops arrived at the building and began firing before they knew there were hostages inside.

Mr. Goksel said the UN soldier killed was a Swede who had arrived the day before to begin his tour with Unifil, a force created in the late 1970s to keep peace in southern Lebanon. The injured included three Swedes and two French, he said.

ISRAEL: *Shamir Is Defiant*

(Continued from Page 1)

during the Middle East peace conference that the administration is trying to arrange. Although Mr. Bush has not said so, Israelis believe the president may intend to link the guarantees to a freeze by Israel on Jewish settlement of occupied Arab territories.

When Mr. Bush first called for the delay in granting the aid last week, Mr. Shamir angrily told a visiting delegation that Israel would not attend the proposed peace conference if it did not obtain the loan guarantees, the Israeli radio reported this week.

Since then, however, the prime minister has shifted tack in his public statements, insisting that since Israel sees no connection between the peace process and aid, it will proceed with the peace negotiations regardless of the outcome of its request in Congress.

—JACKSON DIEHL

■ **PLO Sees Positive Step**

Bassam Sharif, political adviser to the PLO leader, Yasser Arafat, said Friday that President Bush's threat to veto the loan guarantee was a "positive step in the right direction," Reuters reported in Tunis.

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BASES: *U.S. Weighs Shift on Pact*

(Continued from Page 1)

national referendum designed to overrule the looming Senate rejection of the treaty.

Opinion polls suggest that the public overwhelmingly supports an American presence at Subic, since the base contributes hundreds of millions of dollars each year to the fragile Philippine economy.

Western diplomats say the United States would be willing to discuss the alternative proposals with the Philippine government.

"The options haven't been given to us yet," said one diplomat, describing the environment in the Philippine Senate this week as "hypercharged" as lawmakers searched for some way to keep American troops at Subic.

Western diplomats stationed in Manila said Friday that they were also closely monitoring the actions of leaders of the Philippine military, who have called for ratification of the 10-year treaty.

The Philippine military is dependent on weaponry and other assistance from the United States, and Philippine journalists and politicians have wondered aloud in recent days whether the nation's civilian government may be under threat from a military coup if the treaty is rejected.

A Western diplomat did not respond directly Friday when asked if a coup was possible but said that Philippine military leaders were experiencing "a lot of conflicting emotions" because of the treaty debate.

Hezbollah Warns on Hostages

Cleric's Detention Could Delay Deal

Compiled by Our Staff From Dispatches

BEIRUT — A leading Muslim fundamentalist said Friday that Israel's continued detention of a kidnapped cleric could delay the release of Western hostages in Lebanon.

Hussein Musawi, a member of the ruling council of Hezbollah, said the United States had promised that Sheikh Abdel Karim Obeid, who was seized at his home in southern Lebanon by Israeli commandos in 1989, would be among 51 Lebanese freed on Wednesday. He was not.

But others involved in negotiations over the hostages, including the UN secretary-general, Javier Pérez de Cuéllar, said that new releases could be imminent.

After meeting with senior Iranian officials in Tehran, Mr. Pérez de Cuéllar said Friday that he hoped to have "some positive results in the next days or weeks."

Asked whether this meant that Western hostages held by pro-Iranian groups in Lebanon might be freed soon, he sidestepped the question.

"I am as well interested in the Lebanese, in the Israelis, and of course in the Iranians who are missing," he said. "But I cannot be too specific because I don't like to raise expectations."

His mention of missing Iranians was a reference to four Iranian diplomats who disappeared in 1982 and who are believed dead.

Prime Minister Yitzhak Shamir of Israel said in Paris that he hoped the exchange on Thursday of a Palestinian for the remains of an Israeli soldier meant an end to the hostage crisis was near.

The exchange should mark "a start toward the liberation of all the hostages and prisoners who have disappeared," said Mr. Shamir, who was attending a meeting of the France-Israel Association.

An Israeli plane on Friday brought home the exiled Palestinian and the body of a missing Israeli soldier.

The move represented another piece of the complicated efforts to arrange a broad-based agreement that would free nine Westerners in Lebanon, hundreds of Arabs held by Israel and seven missing Israeli servicemen.

Sunnie Mann, 73, the wife of the British hostage Jack Mann, returned to Beirut from London on Friday amid speculation that her husband, whose kidnappers released a photograph of him on Thursday, would soon be freed.

A security source said that Shiite groups, including Hezbollah, were expected to return to the Israeli-backed South Lebanon Army militia the bodies of three Israelis killed in fighting in 1987.

Mr. Musawi, the Hezbollah official, said by telephone from his home in eastern Lebanon: "It is possible that an American or a Briton will be freed in a week or more."

He said that Western hostages could be released if there were no obstacles and "no lack of implementation from the Israeli side like the release of Sheikh Abdel Karim Obeid, which did not take place in line with the promises given by America."

"Despite obstacles I expect things to proceed normally," Mr. Musawi said. "Israel and America have submitted to the just stand. This submission will lead to pursuing a solution." *(Reuters, AP)*

ETHICS: *Kaifu Complains*

(Continued from Page 1)

enced "rookie" and a "bush leaguer" by political opponents within his own party.

Moreover, if Mr. Kaifu's comment becomes an embarrassment for Japan, it will just about kill his chances to win passage of his political restructuring plan — a proposal that was in trouble in the Diet even before the debate Friday.

Almost everyone here agrees on the problems facing Japanese politics — problems that are familiar as well to anybody who has watched American politics over the past decade or so.

Campaigns for the national legislature here tend to avoid political issues and turn instead on personality, campaign tactics, and money. To get the money they need for reelection, Japanese incumbents turn to the same sources — corporate, labor, and other interest groups — that U.S. politicians have come to rely on. Incumbents here have created an electoral system that assures that they nearly always win.

While Japan has half the population of the U.S., its political parties spend far more than the two U.S. parties do on national campaigns. In 1990, Japan's six biggest parties reported total contributions of $1.3 billion.

Mr. Kaifu proposes to dump the current system of 130 legislative districts around the country, most of which elect three or four members to the Diet. Instead, he would create 300 single-member districts. That change would probably kill several of Japan's political parties.

It would almost certainly cause 100 or more members of the Diet to lose their seats — one reason for the intense opposition the plan has generated.

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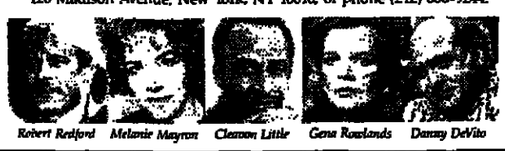
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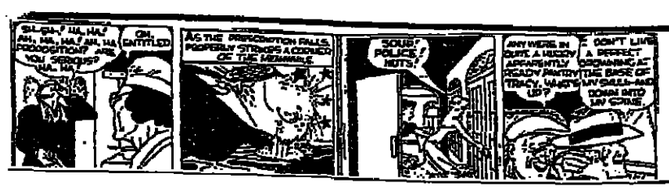
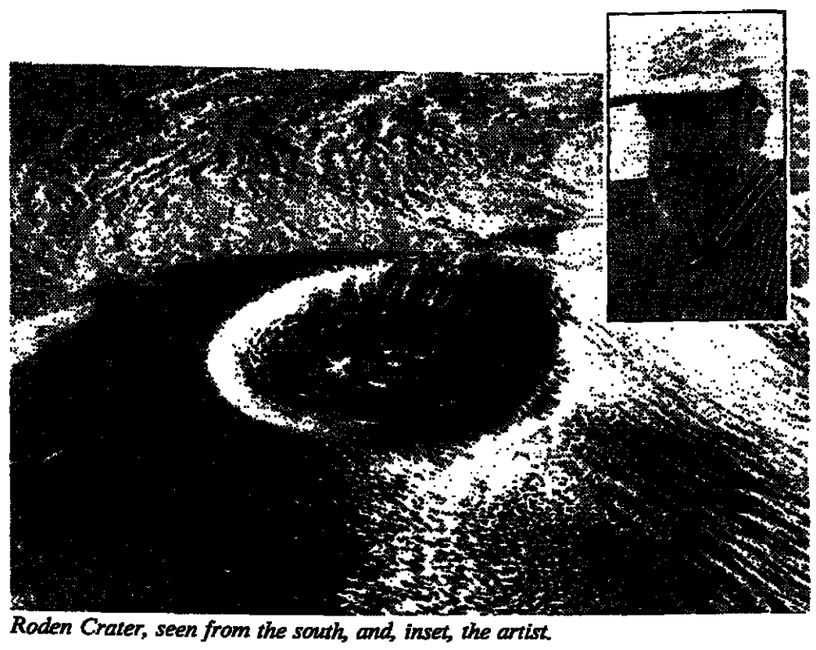




Roden Crater, seen from the south, and, inset, the artist.

'Land Art' on Jovian Scale

In Arizona, James Turrell Works With a Volcano

By Michael Gibson
International Herald Tribune

FLAGSTAFF, Arizona — The broad, squat, black and rust cinder-cone rises in isolation out of the silvery, olive-green prairie to the northeast of here. Behind it on the horizon, the eye can just make out the faint pink reverberation of the Painted Desert.

The artist James Turrell acquired the site in 1977, after two years of negotiations with its owner, Robert Chambers, a retired railroad magnate who had gone into ranching. Chambers's initial response had been negative: "Son," he told the artist at their first meeting, emphasizing the verbs, "I *don't* sell land, I buy land!"

Roden Crater, as Turrell's volcano is called (after a family of 19th century German settlers), stands "as broad as Manhattan and as tall as the Chrysler building," says Turrell, in one of the most spectacular landscapes of this planet.

Turrell, born in Los Angeles in 1943, the son of a French aeronautical engineer and an American mother, has consistently devoted his attention to the way in which we perceive light. Installations in the United States and in Europe in recent years have exploited the way eye and brain handle threshold perceptions and after-images.

Characteristically, Turrell's works are installed in darkened rooms and use a delicate adjustment of subdued light for their effect. They appear poetic and suggestive to the beholder, but at a recent opening of a piece in Poitiers, France, where the spectator is invited to dive into a pool and emerge through the water into an isolated, illuminated space, French critics, who asked leading questions about the artist's affinity with the mystical symbolism of light, were baffled by the artist's pragmatic outlook.

Turrell's technical approach no doubt owes something to his family's engineering background, and to the fact that he earned a BA in perceptual psychology in 1965. But it was Marcel Duchamp and John Cage who made him realize that there are no restrictions to what can be done in art.

About 10 years into his artistic career, Turrell decided that he wanted to do a major project in a natural site. "I have sought to take this artifice we call art," he said, as he drove his pickup truck over bumpy ranchland roads and around sprawling puddles left by a heavy overnight rainstorm, "and put it in nature. Generally, whether in landscape or photography, we have been borrowing from nature and taking it back to the art context. I am interested in bringing the art context to nature and then handling it so you find out the nature of how you see. Sort of looking at yourself looking."

The search for an appropriate site began in 1974 with a grant from the Guggenheim Foundation. The entire sum went, somewhat unexpectedly, into buying gasoline for Turrell's Helio Courier, a small plane that he piloted up and down the Western side of the United States for two years, keeping an eye out for likely features. "Turrell," one critic observed, "considers time spent in his plane as time spent in his studio."

The volcano project is probably the most ambitious land art venture of modern times. The ancient Egyptians did some pretty large work of this kind in their day, and Turrell's concept does have points in common with that — the astronomical reference in particular. Basically, it calls for the channeling of light into a number of precisely oriented tunnels and chambers he has yet to build, and which will be designed to catch the light of the rising sun at solstices and equinoxes and that of the moon "every 18.61 years." The latter, he says, will shine through a tunnel that will function like a telescope, projecting a 14-foot image of our satellite on the end wall of the chamber.

THE volcano is a composite, two-story structure, with a lower rim that is within seven feet of being a true circle with a radius of more than 600 feet. This part, which can be reached by car, stands to the east and is capped by a vent. Above this, and to the west, rises the almost perfect bowl of the volcano from which, to Turrell's delight, the viewer sees nothing but the sky. "The setting here is geologic time," Turrell remarked. "I wanted a place where you really felt geologic time. And obviously, if you want to deal with light and space, you really have plenty of it here."

So far, what with the acquisition of the site, the digging of wells and laying of pipes to bring water up to the bowl, and the purchase and working of bulldozers and scrapers to give the bowl the almost perfect geometric form it now has, the project has cost $480,000.

Turrell hopes to have finished work in the next three years. Back down on the rim of the "esplanade" Turrell points out circles of stone marking the site of pit houses of Wapatki Indians who lived here nine to 15 centuries ago. Fragments of gray pottery lie everywhere. "At one time, this was Hopi country," says Turrell, adding that he has met with members of that tribe.

And what do *they* make of his undertaking? "They are rather amused," says Turrell, speaking with gentle detachment. "And also intrigued to see a white man undertake something that holds no promise of immediate profit."

EACH artist has his strategies, and Turrell does not favor too much interpretation of his work. On the way back to town, remembering that he had mentioned Duchamp earlier on, I asked him what he made of one of the French artist's statement: "An artist is like a medimmistic being who, from the labyrinth beyond time and space, gropes his way toward a clearing."

We were just turning off a highway, the car was halted in the middle of the road and Turrell turned to me with a noncommital, Will Rogers sort of grin: "It makes a great quote," he said.

James Turrell's works are currently being shown in Poitiers, Confort Moderne, 185 Faubourg du Pont-Neuf, to Oct. 28; Liège, Espace Lulay, 16 Rue Lulay (permanent); Frankfurt, Museum of Modern Art (permanent), and Friedman Guinness Gallery, through September; Zurich, Turske & Turske Gallery, to January; Berlin, Museum für Moderne Kunst, Photo und Architektur, to January; Brussels, Isy Brachot Gallery, to January; Santander, Spain, Universidad Internacional Menendez Pelayo, to October.

Pop Art: Resurrecting an Old Joke

International Herald Tribune

LONDON — What is it that began tongue in the cheek like a thousand provocative jokes from young artists eager to challenge the established avant-garde, promptly snowballed into big business and is now on its way to the respectability of old age, surrounded by pomp and circumstance? "Call it Pop Art," the items seem to be telling the visitor with a wink at the Royal

SOUREN MELIKIAN

Academy where they are displayed in grandeur until Dec. 15 before moving to Cologne and Madrid.

Alas, nothing is as difficult to sustain as a joke once it has lost the virginity of surprise. The display of the antics of Pop is to its heritage what the stuffed crocodile in the wizard's den is to the Nile monster — an eerie prop with a dusty feel. The presentation, beautifully contrived, underlines the absurdity of it all.

Walking into the first room is a curious experience. The workmen in charge seem to have suffered from absent-mindedness. A large piece of blackish burlap is smeared with white smudges. Two pairs of slacks have been nailed or glued over it. The leg of one goes up, the other down. Small white crosses have been dashed off. This is Jim Dine's "Car Crash" of 1959.

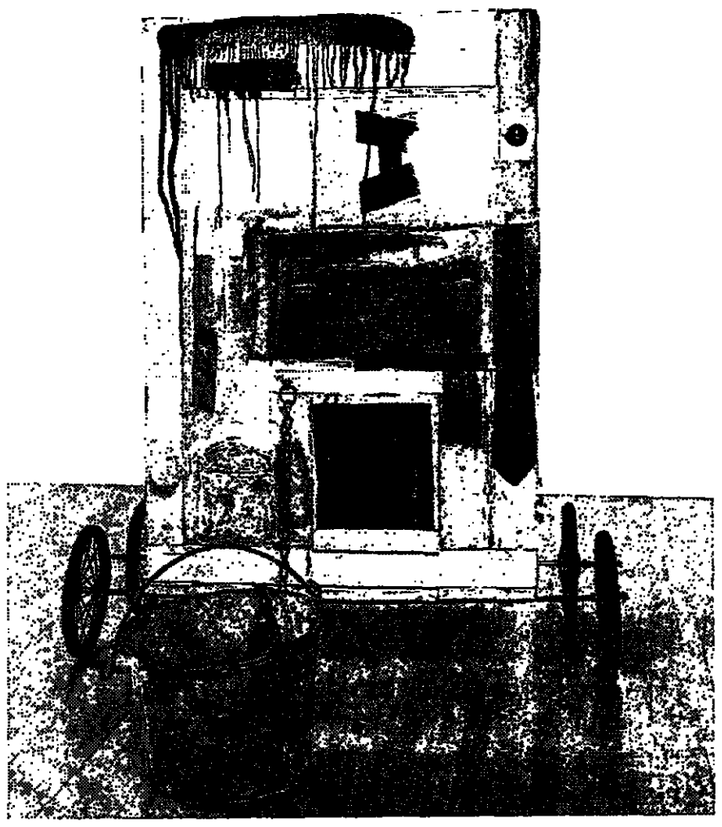
Next is a small square panel with a tennis shoe adhering to it, all painted pink and called, indeed, "Tennis Shoe." It is followed by "Green Suit" — the jacket on a hanger simulating a waistcoat, the trousers reduced to dangling strips, and all of it much used to wipe the paint off Dine's brushes.

WAS there a case of simultaneous independent inspiration or did artistic influence spread from one to the other? The debate is deftly conducted in the book edited by the American scholar Marco Livingstone, and the viewer may well wonder standing in front of Robert Rauschenberg's "Gift for Apollo," also done in that seminal year, 1959. A door frame, somewhat shortened, is mounted on four wheels and randomly smeared. A zinc bucket, much battered and half filled with solidified cement, is attached to the door by a rusty chain.

Turning to the opposite side of the room one discovers the other face of early Pop, ordinary objects used, not in the flesh, but as subject matter for painting in quasi-traditional fashion. Jasper Johns's "Flag above White" is just that, an American flag painted edge to edge and extended downwards with a creamy band. This was done in 1954, with Naïve Art undertones. "Gray Target," painted four years later, is a square of grey color quickly applied in thick short strokes, with a suggestion of concentric circles. The heritage of Impressionism is perceptible in the brushstrokes. And then Johns too succumbed to the lure of discarded junk. "Painted Bronze (Savarin Can)" dated in the same year, *is* a can, filled with the painter's brushes.

At that point, one gets a funny feeling of déjà vu. French Dada was doing something of the kind in the 1920s. Livingstone points out the connection in spirit between Johns and "Marcel Duchamp's aesthetic of the ready-made." But the links of Pop with Europe was a more direct one. It was conceived there, the exhibition tells us.

Pop artists, at first, were called "The New Realists" after the Paris



Lichtenstein's "I know how you must feel, Brad," above, and Rauschenberg's "Gift for Apollo."

"Nouveaux Réalistes" when their work was exhibited collectively in 1962 at the Sidney Janis Gallery. Jim Dine, Roy Lichtenstein, Andy Warhol, Tom Wesselmann stood side by side with the Parisians Arman, Christo, Yves Klein, Martial Raysse, the Swiss Daniel Spoerri and Jean Tinguely, and many more. "The first show was a fully-international manifestation of a movement that only retrospectively became treated as a largely American and (somewhat grudgingly) British phenomenon," Livingstone warns.

The link is physically embodied at the Royal Academy by the joint effort of the New Yorker Larry Rivers and Jean Tinguely, "Turning Friendship of America and France." On a pedestal made up from discarded bits of industrial machinery by Tinguely, a canvas showing sketches of packs of cigarettes by Rivers is set up as if on an easel.

Most curious and certainly least known is Britain's precedence over America in Pop, strictly speaking. It coined the word, an echo of Pop music, and the prototypes. Eduardo Paolozzi's "Real Gold" of 1950 is the cover of a popular magazine complete with pin-up girl, a Mickey Mouse effigy, and an image of a "Real Gold Pure California Juice Can." Richard Hamilton's "Just what is it that makes today's homes so different so appealing" was done in 1956 in collage fashion, blending photos of a nude pin-up girl, a Tarzan-like figure, and cartoon-style renditions of objects — the word "Pop" appears on the wrappings of a racket held by the Tarzan figure. It is all there, or so one might think thumbing the catalogue. What the book does not convey to the eye is the scale.

In a gripping section, Constance W. Glenn argues that Americans were responsible for "inventing the myth." A symposium (who would believe it?) was held at the Museum of Modern Art on Dec. 13, 1962, creating a public image for Pop Art. But America went far beyond coining a myth. It gave Pop its immensity, its color, and its scream. No one walking into the largest room and catching sight of "Boxes" — endless Brillo cases of "24 Giant Size Pkgs" followed by cartons of "Campbell's Tomato Juice 36-17½ oz. cans" — would doubt that this is America in size and feel, courtesy of Andy Warhol. It may have little to do with art, but it certainly is an ephemeral environmental evocation that gives you the feel of the streets of New York.

It is not just a question of size, it is the thrust. Compare "Stained Glass Window" by the American Allan Kaprow with Jacques de la Villegle's "Boulevard St. Martin" or Raymond Hains's "L'Affiche Déchirée." The latter two, who are French, have produced finely balanced compositions of strips of colored paper. Kaprow's work — which happens to be the earliest — erupts in lashing zigzags.

One last crucial difference. There is an immediacy about the provocations of American Pop, such as Roy Lichtenstein's "Masterpiece" or "I know how you must feel, Brad" both done in his giant cartoon style, that is alien to Europe. The spoof has no innuendoes. Not much compares with this in European Pop. If anything, it might be Blake's earlier work, half in comics style and half Naïve, as for example, "Siriol, She-Devil of Naked Madness." But here attention is aroused by a myriad of details — hanging jewels, symbols, a tattoo with the name Elvis on the creature's thigh. The mind starts looking for clues, tries to interpret.

In parody, the Europeans remain Montparnasse-style intellectuals while the Americans kick. It is typical that this retrospective should be taking place on this side of the Atlantic. It was left to the Europeans to meditate about Pop in analytical terms, even if the leading scholar is American. The only surprise is that they forgot to set up a plastic inflatable version of Rodin's "Le Penseur" by the entrance.

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Sunday, October 20
Room 8 at 2:30 a.m. COLLECTOR'S CANES. Me LOUDMER.

Friday, October 25
Room 8 at 2:00 p.m. WINES & SPIRITS. Me LOUDMER.

Thursday, October 28
Room 7 at 11:00 a.m. & 2:00 p.m. DOCUMENTATION ON ART & MODERN PAINTING. Me LOUDMER.

Monday, November 25
Rooms 5 & 6 at 2:00 p.m. ART DECO - MODERN & CONTEMPORARY PAINTINGS. Mes MILLON-ROBERT, 19, rue de la Grange-Batelière, 75009 Paris - Tel.: (1) 48.00.59.44 - Fax: (1) 48.00.98.58.

Friday, November 29
Rooms 5 & 6 at 2:00 p.m. OLD MASTER PAINTINGS & DRAWINGS; OBJETS D'ART & FINE FURNISHINGS. Mes MILLON-ROBERT.

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Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

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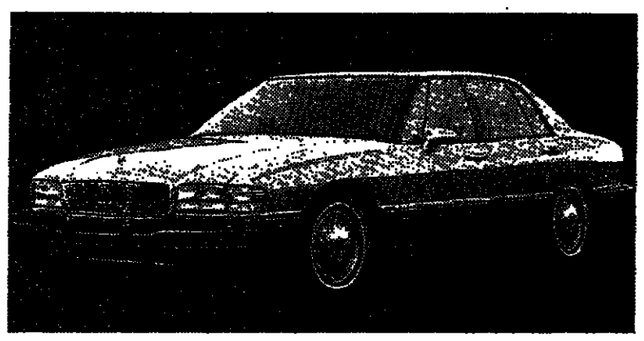

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ECONOMIC SCEN

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...Faith in Ruble W...

CURRENCY RATES

...Free Rates

...Dollar Values

...Rates

INTEREST RATES

...Eurocurrency Deposits

...Money Rates

International Herald Tribune.
BUSINESS/FINANCE
** SATURDAY-SUNDAY, SEPTEMBER 14-15, 1991

ECONOMIC SCENE

As Soviet Union Dissolves, Faith in Ruble Wears Thin

By Leonard Silk
New York Times Service

NEW YORK — In the dissolving Soviet Union, distrust of government translates into fear and loathing of its currency. A taxi driver in Moscow, for example, recently refused to be paid and tipped in rubles, exploding into expletives at the offer.

Soviet inflation is galloping. Wholesale prices are 100 percent higher than a year ago, according to official data.

The consumer price index is meaningless, since the prices people really pay are in the black market, where the ruble's has fallen to 1.67 U.S. cents from 4 cents at the start of the year. The official commercial exchange rate is still, laughably, 1.8 rubles for a dollar, or 108 times the Soviet currency's value on the black market.

> **Some economists say it is too late to save the currency and a new one should be created.**

The main macroeconomic cause of Soviet inflation and the sinking ruble is the government's inability to control the budget deficit.

That problem was gravely worsened this year by raising subsidies in a vain effort to keep real incomes from falling and by the failure of the governments of the 15 republics to make payments to central authorities. Central government revenue from the republics has fallen more than 50 percent.

Before the failed coup against President Mikhail S. Gorbachev, the Soviet Ministry of Finance projected a budget deficit of 140 billion rubles this year, or 13 percent of national output.

That would be five times as much as the originally planned deficit of 26.7 billion rubles. Now, the deficit is likely to exceed the 200 billion rubles foreseen by the most pessimistic analysts and top 20 percent of national output. In its struggle to keep the disordered economy functioning, however badly, the government will be driven to speed up the money-printing presses, sending the ruble toward perdition.

How can the ruble be rescued? In the judgment of some economists, it is too late: The ruble must be replaced by a trustworthy new currency.

ONE WHO TAKES this position is Adolphe J. Warner, chairman of Global Asset Management Associates Inc., who served as an adviser to General Lucius Clay in the U.S. Military Government in Germany after World War II and helped run the operation by which the collapsing Reichsmark was abandoned and replaced by the Deutsche mark, on June 18, 1948.

Repeating that act would be more difficult in the Soviet Union today, Mr. Warner warned. It would be impractical — and politically unfair, given today's gross maldistribution of monetary assets — to try to fix an exchange rate at which all holders of rubles could exchange them for new money, he said.

This maldistribution stems from supply distortions due to the black market, aggravated by the corruption of Soviet bureaucrats and politicians.

In Mr. Warner's view, a new currency should be distributed on a per-capita basis to each individual, with extra allowances for retirees, to government agencies on the basis of budget projections and to private enterprises based on payrolls or other special factors.

For a new currency to achieve popular trust and credibility at home and abroad, fundamental economic and political reforms are crucial.

These must include eliminating the enormous budget deficit, redefining budgetary and taxing powers of the central government and the republics, establishing private property rights, creating an independent central bank and overhauling the banking system.

Obviously, all this cannot be done overnight. But, with the ruble falling and the entire Soviet economy in imminent danger of collapse, it must start as soon as possible with outside help to ease the process.

CURRENCY RATES

Cross Rates

Sept. 13

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.896	3.2925	1.1272	0.331	0.1505 *	—	5.471 *	1.2854	1.408 *	1.6745	1.797 *
Brussels	34.78	60.265	20.60	6.0485	2.7529 *	18.275	—	23.5875	0.2607	30.5325	32.945 *
Frankfurt	1.6906	2.925	—	0.2936	0.1336 *	0.8873	4.865 *	1.1413	1.262 *	1.4872	1.594 *
London (a)	1.731	—	2.9187	9.9342	2,182.50	3.2987	60.115	2.56	231.505	1.9695	182.96
Madrid	106.80	183.487	62.782	18.431	8.381 *	55.656	3.0457	71.608	79.182 *	92.297	—
Milan	1,266.80	2,189.70	748.56	219.90	—	664.98	36.334	854.09	9.443	1,113.75	11.935
New York (b)	—	1.7297 a	1.69	5.7525	1,264.50	1.9043	34.815	1.4802	134.08	1.1358	105.85
Paris	5.7555	9.9565	3.4032	—	0.4568 *	3.0196	0.1652	3.8844	4.296 *	5.0656	5.4255 *
Tokyo	134.25	231.85	79.37	23.32	0.106	70.43	3.8511	90.56	—	118.07	1.2632
Toronto	1.136	1.9675	0.6736	0.1978	0.90 *	0.5976	3.265 *	0.7688	0.8479 *	—	1.075 *
Zurich	1.4795	2.5604	0.877	0.2576	0.1171 *	0.7782	4.2596 *	—	1.105 *	1.3014	1.4088 *
1 ECU	1.2122	0.7088	2.0498	6.9768	1,534.28	2.3105	42.2209	1.7959	162.398	1.3768	128.59
1 SDR	1.3567	0.784	2.2936	7.8803	1,717.58	2.5888	47.2436	2.0092	182.103	1.5411	143.916

Closings in Amsterdam, London and Zurich, fixings in other centers; New York closing rates and Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	9939.0	Greek drac.	187.55	Mex. peso	3044.01	S. Afr. rand	2.8633
Austral. $	1.2658	Hong Kong $	7.747	N. Zealand $	1.7189	Soviet ruble*	0.5907
Austr. schill.	12.56	Indian rupee	25.78	Norw. krone	6.621	Swed. krona	6.1465
Brazil cruz.	426.90	Indo. rupiah	1964.00	Phil. peso	26.25	Taiwan $	26.25
Chinese yuan*	5.3728	Irish £	0.6296	Port. escudo	144.32	Thai baht	25.48
Danish krone	6.526	Israeli shek.	2.2614	Saudi riyal	3.7593	Turkish lira	4570.38
Egypt. pound	3.3078	Kuwaiti dinar	0.2908	Sing. $	1.7008	UAE dirham	3.672
Fin. markka	4.226	Malay. ring.	2.779	S. Kor. won	748.13	Venez. boliv.	58.309

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.7231	1.7164	1.7105	Canadian dollar	1.1388	1.1416	1.1441
Deutsche mark	1.6931	1.6987	1.7037	Japanese yen	134.09	134.20	134.30
Swiss franc	1.4809	1.4842	1.4871				

Sources: NMB Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

Sept. 13

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	5 5/16-5 7/16	9 1/16-9 3/16	8-8 1/8	10 1/16-10 3/16	9 1/8-9 1/4	6 15/16-7 1/16	9 13/16-9 15/16	7 5/16
2 months	5 5/16-5 7/16	9 1/8-9 1/4	8-8 1/8	10 1/16-10 3/16	9 1/8-9 1/4	6 7/8-6 15/16	9 13/16-9 15/16	7 3/8
3 months	5 5/16-5 7/16	9 1/8-9 1/4	8-8 1/8	10-10 1/8	9 1/8-9 1/4	6 1/2-6 5/8	9 13/16-9 15/16	7 3/8
6 months	5 3/8-5 1/2	9 1/4-9 3/8	7 15/16-8 1/16	9 15/16-10 1/16	9 1/8-9 1/4	6 3/8-6 1/2	9 11/16-9 13/16	7 3/8
1 year	5 5/8-5 3/4	9 1/4-9 3/8	7 5/8-7 3/4	9 15/16-10 1/16	9 1/4-9 3/8	6 1/8-6 1/4	9 11/16-9 13/16	7 1/4

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

Sept. 13

	Close	Prev.
United States		
Discount rate	5.00	5½
Prime rate	8.00	8½
Federal funds	5¼	5½
Com paper 91-179 days	5.40	5½
3-month Treasury bills	5.15	5.16
6-month Treasury bills	5.17	5.19
1-year Treasury bills	5.21	5.21
30-year Treasury bond	7.94	7.93
3-month CD's	5.15	5.20
6-month CD's	5.20	5.20
Japan		
Discount rate	5½	5½
Call money	6 13/16	6 29/32
1-month interbank	6⅞	6 27/32
3-month interbank	6 9/16	6 25/32
Germany		
Discount rate	7½	7½
Lombard rate	9¼	9¼
Call money	9.05	9.05
1-month interbank	9.10	9.10
3-month interbank	9.20	9.20
6-month interbank	9.35	9.35
Britain		
Bank base rate	11.00	11.00
Call money	10⅛	10⅛
3-month interbank	10 3/32	10 3/16
6-month interbank	10 1/16	10⅛
France		
Intervention rate	9.00	9.00
Call money	8⅞	9.00
1-month interbank	9⅛	9⅛
3-month interbank	9 3/16	9¼
6-month interbank	9 5/16	9 5/16

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

Sept. 13

1 month	5½ - 5⅝
2 months	5½ - 5⅝
3 months	5 7/16 - 5 9/16
6 months	5⅝ - 5¾
1 year	5¾ - 5⅞

Source: Reuters.

U.S. Money Market Funds

Sept. 13

Merrill Lynch Ready Assets
30-day average yield: 5.34
Telerate Interest Rate Index: 5.385

Source: Merrill Lynch, Telerate.

GOLD

Sept. 13

	A.M.	P.M.	Ch'ge
Hong Kong	344.25	343.45	— 2.10
Luxembourg	343.35	—	— 2.15
Paris (12.5 kilo)	344.00	344.24	— 1.83
Zurich	343.90	344.05	— 1.90
London	343.50	344.25	— 1.85
New York	—	344.55	+ 0.20

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

In Japan, a Watchdog With No Teeth

By Steven R. Weisman
New York Times Service

TOKYO — After weeks of government pledges to clean up the scandal-plagued securities markets, an advisory panel rejected Friday the idea of an independent agency to regulate the industry, proposing instead that the Ministry of Finance retain its role as overseer.

The panel's recommendations were widely seen as falling short of broad change in an industry that has been rocked for three months by charges of stock manipulation, favoritism for well-heeled clients and dealings with organized crime.

The panel, which presented its recommendations to Prime Minister Toshiki Kaifu, suggested the Finance Ministry create a securities and financial examination committee, which would function as a kind of Securities and Exchange Commission in Japan.

But under the panel's recommendations, the committee would have no power to prosecute, punish or take steps to curb abuses. Moreover, the committee would be staffed by people within the Finance Ministry, which has been widely accused of ignoring or downplaying scandals in the past.

The new committee would be able to accuse companies or individuals of violating securities laws. But its members would be appointed by the Finance Ministry, which in the past has protected the industry.

The panel's recommendations are not final, but they are considered virtually certain to be adopted by the government. The government is expected to look to the panel as the vehicle for achieving consensus among various interested parties before action is adopted.

Many analysts said the proposals amounted to little more than a modest or cosmetic reshaping of industry regulations that would do little to change the basic causes of the recent scandals.

"The Ministry of Finance ended up with what they wanted," said Takmitsu Sawa, professor of economics at Kyoto University. "In fact, the whole interdependance of the government bureaucracy and the securities industry will end up even stronger than it was before."

Mr. Sawa said, for instance, that the new committee would likely consist of retired Finance Ministry bureaucrats or businessmen, and it would be dependent on the same staff in the ministry that has already been accused of looking the other way when abuses occurred.

The advisory panel, known as the Ad Hoc Commission on Administrative Reform, is headed by Eiji Suzuki, former chairman of the Japan Federation of Employers' Associations. It had originally planned to recommend creation of a powerful watchdog body such as the Securities and Exchange Commission in the United States, according to Japanese news reports.

But the reports said it backed down under pressure from the securities industry and the Finance Ministry, which wanted to continue in its role as regulator despite criticism that this conflicted with its other role as economic planner and promoter of economic growth in the industry.

The panel has been meeting for weeks to discuss what to do, even as leaders in the industry have stunned the nation with their admissions of impropriety.

At the heart of the recent scandals, 21 securities firms have acknowledged that they compensated their largest customers with more than $1 billion for trading losses, doing nothing comparable for their smaller customers or their foreign customers.

There have also been charges of some companies doing business with organized crime figures, perhaps even engaging in stock manipulation for their benefit. In related scandals, banks have been found to have dealt in billions of dollars in fraudulent loans to clients with dubious reputations.

All these scandals have emerged in a new climate of recrimination as the Japanese economy has sagged, taking the steam out of real estate and stock prices.

But many observers have said the bigger scandal, in a way, has been the behavior of the Finance Ministry. Much of the evidence and testimony suggests that the ministry knew of the various abuses but looked the other way because it wanted to encourage stability and growth in the securities industry.

Not until tax authorities uncovered the violations was the ministry forced to crack down. Moreover, since the scandal broke open, the Finance Ministry has not used any direct legal proceedings to regulate the industry, relying instead of privately conveyed administrative guidance.

It appeared from the prime minister's panel that the practice of administrative guidance, sometimes conveyed only orally, will continue.

The finance minister, Ryutaro Hashimoto, said Friday that the ministry would review its system of administrative guidance and consider "what should be provided by law, what should be done through administrative guidance, and what should be left to the industries' self-restraint."

A step in the direction of more overt regulation came Friday morning, however, when Mr. Kaifu's cabinet approved a bill to revise the securities laws making it explicitly illegal for brokerage companies to reimburse their cli-

See JAPAN, Page 11

Mitsubishi Trust Denies It Compensated Clients

The Associated Press

TOKYO — Mitsubishi Trust, the largest trust bank in Japan, denied on Friday charges by the Finance Ministry that it compensated investors for poorly performing trust funds, a practice similar to the one at the heart of the Japanese securities scandal.

Finance Ministry officials said their investigation of Mitsubishi Trust had found problems in its fund management but no illegal activities. Under Japanese law, compensation would be illegal only if promised beforehand.

A ministry investigation determined that Mitsubishi Trust had compensated trust fund clients for market losses by transferring funds from profitable accounts to poorly performing accounts, the mass-circulation Asahi newspaper reported Friday. It said the compensation payments amounted to tens of millions of dollars.

The newspaper also said the bank had used funds from a related company, Marunouchi Finance, to improve the results in some of its fund trusts. The newspaper said the ministry made the discoveries during a regular bank examination late last year.

Owner of Leyton House Named in Swindle Case

Compiled by Our Staff From Dispatches

TOKYO — The owner of the Leyton House conglomerate is suspected of swindling 200 billion yen ($1.5 billion), newspapers said Friday, quoting Japanese authorities.

Akira Akagi, 46, the president of the Mausho Kosan Co. real estate development concern, was arrested Thursday along with a fellow director of the company and two former executives of Fuji Bank Ltd., the world's fourth-largest bank.

Japanese authorities said they suspected the four conspired during the past four years to falsify bank deposit records to use as collateral in borrowing 700 billion yen from 17 financial institutions including a foreign bank. They said that Mr. Akagi was responsible for 200 billion yen of that.

The arrests have reportedly led Fuji Bank to consider dismissing Taizo Hashida, the current chairman, who was president of the bank when the swindle took place.

The future of Mr. Akagi, who as president of Marusho ran a vast

See LEYTON, Page 11

Bankruptcies Show Economy Slowing

By Steven Brull
International Herald Tribune

TOKYO — Japanese company bankruptcies jumped 74.3 percent in August, compared with a year earlier, a private research company reported Friday, the latest indication of how far Japan's economic bubble has deflated.

It was the 11th consecutive month in which bankruptcies have risen, and there is no sign of a slowdown, but analysts said there was still little danger that Japanese banks would be pulled down.

Still, economists considered the figures a sign the Bank of Japan should reduce its official discount rate to ease the pressure of tight money on the slowing economy. The Tokyo stock market soared Friday on expectations of a rate cut.

Tokyo Commerce & Industry Research Co. said 896 companies with debt exceeding 10 million yen ($75,000) went under in August. Total liabilities for the month rose to a record 1.07 trillion yen. The big jump was due largely to two spectacular failures: the Osaka restaurant Egawa, whose owner, Nui Onoue, was arrested on suspicion of using fake bank deposit certificates to borrow money to cover stock market losses; and Maruko Inc., a condominium developer.

With the August figures, total bankruptcy liabilities for the year have reached 4.82 trillion yen, surpassing the previous record of 4.24 trillion in 1985, according to Alicia Ogawa, an analyst at S.G. Warburg Securities.

Despite this, analysts said the impact on Japanese banks should be minimal. Loans extended to the most bankrupt companies are well collateralized in land and other assets and losses will be divided among many institutions. The heaviest impact is likely to be felt by a host of small, independent nonbank financial institutions such as credit unions and leasing concerns. As of January 1991, there were 95,900 real estate companies or brokers licensed in Japan, Ms. Ogawa said.

"There's no chance of major Japanese banks having real serious problems," she added.

Indeed, the scale of bankruptcy-related losses pales in comparison to the asset depreciation suffered by banks when the Tokyo stock market declined from its peak in December 1989, shedding more than 257 trillion yen in capitalization, according to Robert Zielinski, an analyst at the Jardine Fleming Securities Ltd. brokerage.

Many of the bankruptcies were in the real estate sector, where failures increased nearly threefold. The industry has been hard hit by difficulty procuring funds because of restrictions on banks' lending and weak stock prices. Yet the extent of pain in the sector is not fully reflected in the bankruptcy figures.

Many more real estate firms would be bankrupt if not for lenient treatment by banks under the guidance of the Ministry of Finance. Ms. Ogawa said these real estate companies were surviving on rental income but were defaulting on interest payments. Unlike banks in the United States, Japanese creditors are under no standard regime to report nonperforming loans; this has allowed them to accept lack of payment in hopes the companies will return to health.

The banks are betting that property values will improve later this year as interest rates continue to decline and restrictions on bank lending for real estate investment are eased, possibly this fall.

Mr. Zielinski added that rising bankruptcies had shown the success of the Bank of Japan's efforts to deflate the economic bubble through tight monetary policies. But the surge in bankruptcies also suggested the central bank should continue to loosen the reins. "We've reached the point where tight money has taken out the speculators. But if it continues big companies could be affected," he said.

The Bank of Japan has eased short-term rates aggressively in past weeks.

On Friday, in the latest call for action on the discount rate, the chairman of the Japan Iron & Steel Federation said the best timing for cutting the rate was "just around the corner."

On the stock market, the 225-share Nikkei index gained 604.23 points to 23,134.43, on volume of 1.2 billion shares, the heaviest trade since Feb. 19. The big volume was laid to unwinding of arbitrage positions at the deadline for settling accounts.

U.S. Data Show Tamed Inflation And Slow Sales

Compiled by Our Staff From Dispatches

WASHINGTON — Retail sales dropped 0.7 percent during August, the steepest rate in seven months, the U.S. government said on Friday. Sales were dragged down by weak demand for new cars and a variety of other consumer goods.

At the same time, another government report said consumer prices rose a small 0.2 percent in August.

That put inflation at an annual rate of just 2.7 percent this year, far below last year's 6.1 percent increase.

The combination of weak consumer spending and inflation under control formed the background against which the Federal Reserve later in the day engineered cuts in its discount rate and in short-term interest rates, in an attempt to spur the economic recovery.

According to the retail sales report, issued by the Commerce Department, auto sales were down 2.7 percent in August.

Some automakers already have announced sales incentives aimed at moving their products off dealer lots. Auto sales represent one-fifth of retail sales.

In other data on the auto industry, General Motors Corp. and Ford Motor Co., the top two U.S. automakers, said Friday that their car sales in the first 10 days of September had fallen sharply.

General Motors reported that sales of cars had shrunk 24.8 percent, and Ford said sales were down 25.4 percent.

Chrysler Corp., the other big U.S. carmaker, suffered a 35.6 percent drop in early-September car sales, Ward's Automotive Reports said. Chrysler reports its sales monthly.

In the retail sales report for August, most major categories fell, except for gasoline, restaurant and bar and drug store sales.

Overall, retail sales totaled a seasonally adjusted $152.3 billion, down from $153.4 billion in July, the Commerce Department reported. The 0.5 percent increase in July was unchanged but June's estimated 0.1 percent gain was revised Friday to show sales were flat that month.

The August fall in sales was the sharpest since a plunge of 1.3 percent in January, when the economy was deep in recession.

The new figures were likely to stir concerns over the possibility of a double-dip recession in which the economy turns downward after a brief period of growth.

Retail sales account for about half of consumer spending, which itself represents two-thirds of U.S. economic activity.

Thus, without a lift from consumers, the economy likely would remain bogged down.

The Labor Department, in its report on the consumer price index, said the 0.2 percent increase in August was identical to those in June and July.

The 0.2 percent increase last month reflected outright declines in both food and energy.

These decreases helped to offset higher prices for such items as fall clothing, new cars and airline tickets.

"Inflation seems to be in check," said Bill Wood, of Cahners Economics in Newton, Massachusetts.

Donald Ratajczak, an economist at Georgia State University, noted that the price increases might even have been smaller.

He said some of the price increases during August for automobiles, clothing and education might be due to changing sales patterns not yet accounted for in the government's standard seasonal adjustments.

Energy prices fell 0.2 percent, reflecting declines in natural gas and residential electricity.

These offset gains of 0.5 percent in gasoline prices at the pump and a 0.8 percent rise in home heating oil costs. It was the first advance for heating oil costs since October of last year.

Given the fact that gasoline costs were up more sharply at the wholesale level, analysts said that fuel prices were likely to rise even further in the current month at the retail level.

Food costs fell 0.2 percent last month following a 0.5 percent drop in July.

Excluding the volatile food and energy categories, consumer prices rose 0.4 percent in August, the same increase as the previous two months.

Norman Robertson, chief economist at Mellon Bank in Pittsburgh, said the 0.4 percent increase in the August core rate indicates that inflation, while in check, "is still in the wings."

In the nonenergy and nonfood categories, airline ticket prices were up 0.9 percent in August and apparel prices shot up 1.2 percent, reflecting higher prices for new fall lines.

New-car prices were also up, rising 0.2 percent last month.

In a separate report, the Labor Department said workers' average weekly earnings rose by 1.1 percent between July and August, after seasonal adjustment.

(AP, Reuters, UPI)

British Inflation Drops To 4.7%, a 3-Year Low

Compiled by Our Staff From Dispatches

LONDON — Inflation in Britain dropped to an annual 4.7 percent rate in August, the government said Friday, the lowest since June 1988. The data raised hopes that interest rates would fall again.

Inflation measured by the retail price index was down from 5.5 percent in July and a peak of nearly 11 percent late in 1990.

Neil Mackinnon, an economist at Yamaichi International, said the lower prices should make a further cut of half a point in interest rates possible. Bank base rates now stand at 10.5 percent.

The high interest rates the Conservative government has used to tame inflation — they peaked at 15 percent in 1990 — have succeeded in doing that, but at the price of a deep recession. Now the recession is bottoming out but unemployment is continuing to rise.

Figures on Thursday showed unemployment above 2.4 million for the first time in more than three years, at 8.5 percent of the labor force.

(Reuters, UPI)

Intel Trims Profit Forecast; Stock Slides

The Associated Press

SAN JOSE, California — Intel Corp. predicted Friday its earnings in the current quarter will fall below its previous forecast, and analysts said the company is finally feeling the pressure of the recession and increased competition.

Intel stock closed down $6.125, at $43.625, in over-the-counter trading Friday.

"Intel has been soaring for several years now. This is just the market catching up to Intel the way it has caught up with everyone else," said Paul Gillin, executive editor of Computerworld magazine based in Framington, Massachussets.

"Whether they want to admit it or not, they're also suffering from competition because they no longer enjoy a monopoly position," he said.

Intel, maker of the most popular chips of personal computers, is seeing is seeing heavy competition from Advanced Micro Devices Inc., which in April put a similar chip on the market.

Advanced Micro this month sued Intel for $2 billion. It claimed Intel manipulated the industry to maintain a monopoly on key technologies. The suit was part of a long-running court battle between the two companies over technology sharing pacts they signed in the early 1980s, which Intel said never gave Advanced Micro the legal right to clone its popular microprocessor — and its biggest moneymaker.

On Friday, Intel said weak demand and soft pricing for its commodity chips and personal computers it makes for other companies has hurt sales during the current quarter, which ends Sept. 28.

As a result, the company said it expects to earn 83 cents to $1 per share this quarter, down from the $1 to a $1.02 a share it had projected earlier. In last year's third quarter, Intel earned $172 million, or 83 cents a share.

The new earnings forecast was lower than industry analysts have predicted as well, and it sent the company's stock price plunging.

"When we announced second-quarter earnings in July, we noted that the third-quarter outlook was uncertain and that has proved to be the case," said Andy Grove, Intel's president.

The Santa Clara-based company, which makes the microprocessors used in most IBM-type personal computers, reported net income of $231 million, or $1.10 per share, for the quarter ended June 29, up from $171 million, or 84 cents a share, a year earlier.

Revenue rose 29 percent, to a record $1.25 billion.

For the first six months of 1991, profit climbed 36 percent, to $428 million. Revenue rose 28 percent, to $2.39 billion.

ITT Yields on Pay Issue

Reuters

WASHINGTON — A group of stockholders, claiming a victory in a campaign to rein in executive salaries, said Friday that ITT Corp.'s pay committee had agreed to change the way it attributes compensation.

United Shareholders Association, a group that was founded in 1986 by T. Boone Pickens, the corporate raider, said it was satisfied that the proposed modifications would directly tie the value of management stock options and cash bonuses to increases in shareholder value.

The group has been critical of compensation received by ITT's chief executive, Rand Araskog.

United Shareholders said that in 1990 Mr. Araskog received total compensation estimated at between $7 million and $11.4 million. This is an increase of 103 percent during a year the conglomerate's share value declined by 18 percent and profit rose only 4 percent, the group said.

The criticism of Mr. Araskog is part of a broad new look at executive salaries in America. In May, the Securities and Exchange Commission, at a Senate hearing billed "The SEC and the Issue of Runaway Executive Pay," said it was considering a greater role for stockholders in setting pay policy.

Fed Says U.S. Officials Got First American Loans

The Associated Press

WASHINGTON — The Federal Reserve Board's top lawyer told Congress on Friday that former government officials received loans from First American Bankshares Inc., the Washington bank the government says was illegally acquired by a foreign-owned institution.

The Federal Reserve's general counsel, Virgil Mattingly, testifying before the House Banking Committee, did not say whether any impropriety was involved.

"If there is information of any kind of impropriety, we have provided it to law enforcement agencies," Mr. Mattingly said. He made the statement in response to a question from Representative Paul E. Kanjorski, Democrat of Pennsylvania, who commented, "I get suspicious; it might not be a loan."

Mr. Kanjorski said the American people "have a right to know who these people are."

Since regulators revealed this summer that the Bank of Credit & Commerce International SA secretly and illegally acquired First American in 1982, there has been speculation that government officials may have been bribed to ignore BCCI's illicit activities.

Representative Henry B. Gonzalez, Democrat of Texas, the committee's chairman, opened the hearing by charging that the Fed did an "abysmal" job of checking out the foreign investors who bought First American, failing to discover that they were fronts for BCCI.

Mr. Gonzalez said that years after the Fed approved the purchase of First General Bankshares, which later was renamed First American, the central bank failed to follow up tips that would have revealed the secret ownership by BCCI.

The Washington Post reported Friday that the Bank of England informed the committee that it knew in 1988 that BCCI bought into First American in 1980; the Fed said it did not have this information until December 1990.

Many BCCI operations were closed by international regulators this summer because of allegations of fraud.

■ 10 BCCI Executives Released

Abu Dhabi authorities on Friday released more than 10 BCCI executives who had been held for questioning in connection with fraud allegations, banking sources told Reuters.

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Amsterdam, September 11, 1991.

MARKET DIARY

Lower Rates Fail To Spur Buying

The Associated Press

NEW YORK — Prices on the New York Stock Exchange dropped Friday in a wary response to cuts in key Federal Reserve and commercial-bank interest rates.

The Dow Jones average of 30 industrials fell 22.14 points, to 2,985.69, finishing the week with a net loss of 25.94 points. The average rose 20.80 on Thursday.

Declining issues outnumbered advances by about 4-3 on the NYSE. Big Board volume came to an estimated 167.8 million shares, up from 160.3 million Thursday.

The Federal Reserve lowered the discount rate from 5.5 percent to 5 percent. Many major banks followed with reductions in their prime lending rates from 8.5 percent to 8 percent.

The cuts came in response to signs of persistent economic weakness, as typified by the news Friday that retail sales fell 0.7 percent in August.

Stock traders showed something less than unbridled enthusiasm over the news.

Analysts said the Fed's action had been widely anticipated for some time on Wall Street. In addition, they said, all the day's news tended to reinforce worries about the prospective strength and staying power of the economy's bid to recover from the recession.

Marion Merrell Dow led the active list, down 8¼ at 29¾. Speculation that Dow Chemical would make a bid for the 30 percent of Marion Merrell it does not already own was deflated when Dow Chemical said it would redeem for cash an issue of securities called value rights.

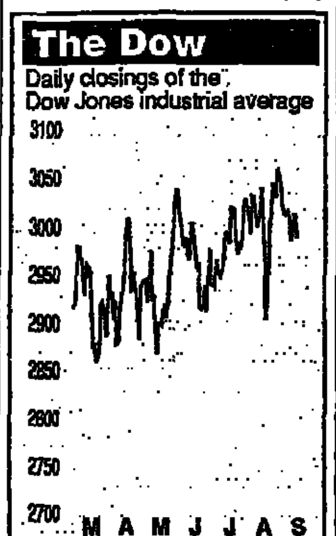
Dow Chemical rights jumped 4⅞ to 11 in heavy American Stock Exchange trading.

Intel, traded in the over-the-counter market, tumbled 6¾ to 43. The company said its sales and earnings for the fiscal quarter ending Sept. 28 would fall short of expectations.

The ripples from the jolt in Intel hit many other OTC technology issues. Apple Computer fell 2 to 48⅝ and Sun Microsystems dropped 1¼ to 30⅝.

N.Y. Stocks

Via Associated Press Sept. 13



Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	3012.30	3021.47	2963.10	2985.69	—22.14
Trans	1188.29	1195.87	1175.95	1182.65	—1.24
Util	204.75	207.44	205.12	206.50	—0.62
Comp	1068.43	1072.75	1054.07	1061.39	—5.27

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	459.99	453.98	454.66	—4.74
Transp.	294.78	292.07	293.20	—0.84
Utilities	143.02	141.48	141.90	—1.02
Finance	31.57	31.07	31.10	—0.30
SP 500	387.95	382.85	383.57	—3.75
SP 100	366.79	361.77	362.85	—3.48

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	212.60	210.58	210.58	—1.84
Industrials	266.37	263.61	263.61	—2.65
Transp.	178.27	176.97	177.56	+0.26
Utilities	93.64	93.02	93.10	—0.54
Finance	157.50	156.06	156.06	—0.86

NASDAQ Indexes

	High	Low	Close	Ch'ge
Composite	522.03	516.04	516.71	—4.42
Industrials	585.13	576.77	577.51	—7.12
Finance	521.11	517.25	518.34	—1.57
Insurance	542.86	538.65	539.46	+0.60
Utilities	582.63	576.94	579.50	+0.69
Banks	342.35	338.23	340.57	+0.87
Transp.	519.78	513.59	514.85	—2.80

AMEX Stock Index

High	Low	Close	Ch'ge
367.58	365.82	367.34	+1.12

Dow Jones Bond Averages

	Close	Ch'ge
20 Bonds	96.34	—0.07
10 Utilities	97.45	+0.01
10 Industrials	95.04	—0.19

Market Sales

NYSE 4 p.m. volume	167,800,000
NYSE prev. cons. close	202,414,150
Amex 4 p.m. volume	16,970,000
Amex prev. cons. close	15,046,000
NASDAQ 4 p.m. volume	166,631,300
NASDAQ prev. 4 p.m. volume	172,796,800
NYSE volume up	37,397,670
NYSE volume down	110,949,150
Amex volume up	9,709,200
Amex volume down	4,999,325
NASDAQ volume up	56,603,100
NASDAQ volume down	78,712,500

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	Short*
Sept.12	595,667	633,007	4,072
Sept.11	637,499	629,153	4,564
Sept.10	717,438	673,946	17,153
Sept. 9	595,143	550,703	1,887
Sept. 6	787,579	653,509	4,322

*Included in the sales figures.

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
MarMD	50317	30¼	29⅝	29¾	—8¼
Pfizer s	32213	65	63⅝	63⅝	—⅝
GenEl	27019	69⅝	67⅛	67⅝	—2
PepsiC	24955	30	29⅜	29⅜	—½
AT&T	22239	38⅝	37⅞	37⅞	—½
IBM	18500	103¾	101½	102⅝	—1¼
Arkla	18139	16⅝	16	16⅛	—½
TCBY	15653	8⅜	6⅝	7¾	+1
PhilMr	14562	74½	72½	72½	—1½
Flntstn	14534	30¼	28½	30	—⅞
Unisys	14039	4¾	4⅝	4⅝	—½
TelMex n	13985	38½	37⅝	38	—¼
Boeing	13554	49⅞	48½	48½	—1⅜
RJR Nb n	13486	12	11¾	11¾	—¼
Waste	13030	36½	35⅝	36⅛	

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
DowC rt	73397	11⅛	10⅞	11	+4⅞
ForstL s	14200	30⅞	29	30⅞	+⅞
PegGld	4387	10	9⅝	9⅝	—½
Hasbro	4101	27½	26¾	27¼	+¾
PinRsc	3599	20⅞	18¾	20¼	+¾
IntMovie	3217	2⅞	2⅝	2½	+⅛
Amdhl	2890	14⅛	13⅞	13¾	—⅜
EksNk wt	2875	7⅞	7⅛	7⅛	—⅛
AExpl	2836	3⅛	3⅛	3½	+⅛
Hilhav	2714	2⅞	2⅝	2⅝	—⅛
GCda g	2692	7⅞	7⅞	7⅞	—⅛
NlPaml	2144	5⅞	4½	5	+½
FruitL	2124	17⅞	17½	17⅝	+⅛
A-gn sc	2085	7	6	6⅛	—⅝
PW Nk pwt	2083	8	7⅞	7⅞	—⅛

NYSE Diary

	Close	Prev.
Advanced	684	950
Declined	897	604
Unchanged	521	537
Total Issues	2102	2091
New Highs	79	68
New Lows	14	10

Amex Diary

	Close	Prev.
Advanced	258	292
Declined	306	237
Unchanged	226	259
Total Issues	790	788
New Highs	19	21
New Lows	8	8

NASDAQ Diary

	Close	Prev.
Advanced	910	1,119
Declined	975	744
Unchanged	2,251	2,273
Total Issues	4,136	4,136

S&P 100 Index Options

Sept. 13

Strike Price	Calls-Last Sep	Oct	Nov	Dec	Puts-Last Sep	Oct	Nov	Dec
335	—	30½	33	—	⅛	1⅛	2⅝	—
340	24	26½	—	—	⅛	1⅝	3½	5⅛
345	19¾	21⅝	24⅛	—	⅛	2⅝	4½	—
350	14¼	17	—	25⅞	⅛	3¼	5½	7⅛
355	8⅝	13	16⅜	—	⅜	4⅛	6⅝	—
360	4⅞	9⅝	13¼	17	1⅛	5⅝	8½	11½
365	1⅝	6½	9⅝	—	4	7⅝	10⅝	—
370	⅛	4⅛	7⅛	12¼	7⅛	10⅝	12⅝	15⅝
375	⅛	2⅜	4⅝	—	12⅝	13⅝	16¼	—
380	⅛	1¼	3⅛	6	18	18	19¾	—
385	⅛	⅞	2⅛	—	21⅝	22	—	—
390	⅛	⅛	1¼	3	—	—	27⅛	—
395	—	⅛	⅛	—	—	—	—	—

Calls: total vol. 335,726; total open int. 408,894
Puts: total vol. 149,444; total open int. 446,884

	Dec 92	Dec 93	Dec 92	Dec 93
27½	—	—	⅝	—
30	—	8⅛	1⅝	1⅝
32½	—	—	1⅝	—
35	4⅝	—	2½	2⅝
37½	3⅛	—	3⅝	3⅝
40	—	—	—	5⅝

Calls: total vol. 316; total open int. 22,645
Puts: total vol. 973; total open int. 77,806

Dollar Is Little Moved By Fed Rate Reduction

Reuters

NEW YORK — The dollar closed little changed Friday in moderate trading, despite weak U.S. economic data and the Federal Reserve's reduction of the discount rate.

Foreign Exchange

Market participants had already anticipated the weak numbers and the rate cut, so they did not have great effect.

"Things went pretty much as predicted," said David Factor, a dealer for Fuji Bank in New York. The dollar weakened early on the consumer price and retail sales figures, rose after the rate cut, fluctuated again before steadying.

The dollar ended at 1.6890 Deutsche marks, up a little from Thursday's finish of 1.6860, and at 134.08 yen, down a bit from Thursday's finish of 134.10.

The U.S. currency ended at 1.4802 Swiss francs, up from 1.4768, and at 5.7525 French francs, up from 5.7435. The pound, weakened by speculation of rate cuts in Britain after inflation fell in August, fell to $1.7297 from $1.732.

Traders said the dollar had room to weaken further next week.

After this week's weak U.S. economic data, traders have not ruled out a chance the Fed will ease credit soon again. "If you asked people a week ago, they would have said firmly that this is the last cut," a trader for a large Chicago bank said.

The trader predicted that the dollar would trade in ranges of 1.6650-1.6950 DM and 132.50-135.00 yen next week.

EUROPEAN FUTURES

Food

	Close		High	Low	Prev. Close	
SUGAR (FOX) U.S. Dollars per metric ton-lots of 50 tons						
Oct	201.80	204.00	202.20	201.80	N.A.	N.A.
Dec	185.80	191.00	188.00	188.00	—	—
Mar	189.00	189.80	188.80	188.00	—	—
May	187.60	190.00	190.00	188.20	—	—
Aug	190.00	196.00	189.00	189.00	—	—
Oct	190.00	200.00	N.T.	N.T.	—	—
Est. Sales 300.						
COCOA (FOX) Sterling per metric ton-lots of 10 tons (a.m. close)						
Sep	719	721	719	712	712	717
Dec	756	757	760	748	745	747
Mar	791	792	795	786	781	782
May	809	811	814	805	800	801
Jul	829	831	833	825	819	821
Sep	848	850	850	844	838	840
Dec	868	872	871	870	861	863
Mar	892	895	894	889	885	886
May	908	912	N.T.	N.T.	901	904
Jul	926	930	930	923	920	922
Est. Sales 2,487.						
COFFEE (FOX) Sterling per metric ton-lots of 5 tons						
Sep	534	537	536	531	525	526
Nov	561	562	562	553	550	551
Jan	579	580	580	573	569	572
Mar	589	590	590	583	581	583
Est. Sales 1,931.						

	High	Low	Close		Ch'ge
WHITE SUGAR (Matif) Dollars per metric ton-lots of 50 tons					
Dec	282.50	280.00	281.00	284.00	+ 2.50
Mar	282.00	280.60	281.00	282.50	+ 1.80
May	N.T.	N.T.	279.00	281.00	+ 0.50
Aug	N.T.	N.T.	278.50	281.00	+ 0.80
Oct	N.T.	N.T.	260.00	262.00	+ 1.00

Est. sales 1,054. Prev. sales 2,323. Open interest 7,533.

Metals

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1224.00	1225.00	1214.00	1216.00
Forward	1253.00	1254.00	1244.00	1245.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1339.00	1340.00	1338.00	1340.00
Forward	1342.00	1342.50	1339.00	1340.00
LEAD Sterling per metric ton				
Spot	313.00	313.50	324.00	325.00
Forward	323.50	324.00	333.50	333.75
NICKEL Dollars per metric ton				
Spot	7855.00	7860.00	7950.00	7960.00
Forward	7855.00	7860.00	7949.00	7950.00
TIN Dollars per metric ton				
Spot	5615.00	5625.00	5580.00	5585.00
Forward	5680.00	5690.00	5650.00	5655.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	1038.00	1040.00	1026.00	1027.00
Forward	1055.00	1056.00	1044.00	1045.00

Financial

	High	Low	Close	Change
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct				
Sep	89.88	89.78	89.80	—0.05
Dec	90.35	90.26	90.27	—0.04
Mar	90.49	90.44	90.46	—0.01
Jun	90.46	90.42	90.44	+0.01
Sep	90.36	90.31	90.31	+0.01
Dec	90.26	90.21	90.22	+0.01
Mar	90.09	90.06	90.06	Unch.
Jun	90.09	90.04	90.04	+0.01
Sep	90.02	89.99	90.02	+0.01
Dec	90.02	89.99	89.98	—0.02
Est. volume: 41,347. Open interest: 140,784.				
3-MONTH EURODOLLARS (LIFFE) $1 million - pts of 100 pct				
Sep	94.51	94.45	94.48	+0.06
Dec	94.29	94.21	94.21	+0.01
Mar	94.27	94.22	94.22	+0.02
Jun	93.99	93.94	93.94	+0.03
Sep	93.59	93.58	93.54	+0.03
Dec	93.04	93.04	92.97	+0.04
Mar	92.88	92.88	92.85	+0.04
Jun	N.T.	N.T.	92.59	+0.06
Est. volume: 6,946. Open interest: 40,582.				
3-MONTH EUROMARKS (LIFFE) DM1 million - pts of 100 pct				
Sep	90.79	90.76	90.76	Unch.
Dec	90.79	90.76	90.76	Unch.
Mar	91.03	91.01	91.01	+0.02
Jun	91.20	91.18	91.19	+0.02
Sep	91.35	91.31	91.33	+0.02
Dec	91.41	91.38	91.38	+0.01
Mar	91.47	91.47	91.46	+0.01
Jun	N.T.	N.T.	91.45	—0.02
Est. volume: 19,506. Open interest: 141,054.				

	High	Low	Close	Change
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct				
Sep	94-06	96-01	96-03	+0-11
Dec	96-17	96-04	96-07	+0-11
Mar	N.T.	N.T.	96-07	+0-11
Est. volume: 39,155. Open interest: 39,623.				
GERMAN GOVERNMENT BUND (LIFFE) DM 250,000 - pts of 100 pct				
Dec	85.65	85.38	85.42	+0.01
Mar	85.74	85.73	85.59	Unch.
Jun	N.T.	N.T.	85.79	Unch.
Est. volume: 46,628. Open interest: 56,510.				

Industrials

	High	Low	Last	Settle	Ch'ge
GASOIL (IPE) U.S. dollars per metric ton-lots of 100 tons					
Oct	194.00	192.50	192.50	192.50	+5.75
Nov	196.25	195.00	195.50	195.50	+2.50
Dec	197.25	196.25	196.50	196.50	+0.75
Jan	195.25	194.00	194.50	194.25	—2.25
Feb	189.50	188.50	188.50	188.50	—6.00
Mar	183.75	183.00	183.00	183.00	—5.75
Apr	N.T.	N.T.	N.T.	177.00	—6.50
May	173.50	173.50	173.50	173.50	—4.50
Est. Sales 5,000. Prev. sales 14,208. Open interest 76,564					
BRENT CRUDE OIL (IPE) U.S. dollars per barrel-lots of 1,000 barrels					
Oct	20.34	20.14	20.34	20.32	+0.18
Nov	20.40	20.07	20.35	20.35	+0.28
Dec	20.30	20.09	20.29	20.27	+0.22
Jan	20.10	20.04	20.07	20.07	+0.15
Feb	19.93	19.93	19.97	19.97	+0.17
Mar	19.87	19.87	19.87	19.90	+0.12
Apr	N.T.	N.T.	N.T.	19.80	+0.12
May	19.67	19.67	19.67	19.57	—0.05
Est. Sales 17,000. Prev. sales 25,893. Open interest 73,738					

Stock Indexes

	High	Low	Close	Change
FTSE 100 (LIFFE) £25 per index point				
Sep	2679.0	2638.0	2638.0	—21.5
Dec	2722.0	2683.0	2683.0	—21.5
Mar	N.T.	N.T.	2719.0	—21.5
Est. volume: 7,661. Open interest: 44,844.				

Sources: Reuters, Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

Dividends

Company	Per	Amt	Pay	Rec
DISTRIBUTION				
Perkins Fam Rest	-	.32½	11-15	9-30
INCREASED				
Airlease Ltd	Q	.42	11-15	9-30
Great Lakes Chem	Q	.14	10-29	10-1
MBIA Inc	Q	.17	10-15	9-28
INITIAL				
Humana Inc	Q	.22½	11-1	10-1
STOCK SPLIT				
Metropolitan Fincl — 6-for-5				
Phillips Van Heusen — 2-for-1				
Platinum Technology — 2-for-1				
USUAL				
Air Express Intl	Q	.04	10-31	10-10
Apache Corp	Q	.07	10-31	9-30
Battle Mtn Golds	Q	.02½	11-19	11-5
Betz Laboratories	Q	.31	11-14	10-31
Celanese Canada	Q	c-.25	9-30	9-22
Charming Shoppes	Q	.03	10-15	9-24
Comm Cl Hse A&B	Q	.17½	10-30	9-27
Commonwealth Ed	Q	.75	11-1	9-30
Devcon Intl Corp	Q	.05	10-15	9-30
Dow Chemical Co	Q	.65	10-30	9-30
First AmFed Corp	Q	.20	10-10	9-30
Hancock Fabrics	Q	.08	10-15	10-1
Hubbell Inc cl-A&B	Q	.39	10-11	9-23
Idaho Power Co	Q	.46½	11-20	10-25
Idaho Power Co	Q	.46½	11-20	10-25
IMO Industries Inc	Q	.12½	10-15	9-25
MacNeal-Schwend	Q	.12	12-4	11-22
MacNeal-Schwend	Q	.12	12-4	11-22
Millipore Corp	Q	.12	10-25	9-27
NAC Re Corp	Q	.04	10-10	9-26
Nerco Inc	Q	.16	11-15	10-31
Penny (JC) Co	Q	.66	11-1	10-10
Plenum Publishing	Q	.25	10-8	9-30
Republic Capital Gr	Q	.15	10-15	10-1
Rockefeller Ctr Prop	Q	.45	10-28	10-8
Rowe Furniture	Q	.04	10-15	9-27
Rykoff-Sexton Inc	Q	.15	10-18	9-27
Sensormatic Elec	Q	.07½	10-15	9-25
Sizeler Prop Invest	Q	.25	11-27	10-4
TCA Cable TV Inc	Q	.07	10-22	10-8
TJX Companies Inc	Q	.11½	11-27	11-7
Van Dorn Co	Q	.15	11-1	10-18
Washington Post Co	Q	1.05	11-8	10-11
Workmen's Bancorp	-	.15	10-8	9-23

a-annual; c-Canadian rate; m-monthly; q-quarterly; s-semi-annual

Source: UPI.

U.S./AT THE CLOSE

Ford Sees Expanded Quarterly Loss

DETROIT (Reuters) — Ford Motor Co. said Friday it expects a greater loss in the third quarter than the 68 cents per share it recorded in the second quarter.

In a prospectus outlining Ford's plans to issue $350 million of 9 percent notes, the company said the third quarter is typically the weakest period for the industry because producers reduce output for model changeovers.

The company also said a return to profitability by the fourth quarter of 1991 will "require an improvement from the current level of industry demands in the United States."

Shamrock Considers Enterra Sale

WASHINGTON (Reuters) — Shamrock Holdings Corp., a Burbank, California, investment company controlled by the Roy Disney family, said it is considering the sale of all or a significant portion of its 11.8 percent stake in Enterra Corp.

Shamrock said Enterra, a Houston-based energy service and pipeline construction company, has agreed to register the shares with the SEC — a requirement before the stock can be sold.

Merrill Fires Junk-Bond Traders

NEW YORK (AP) — Merrill Lynch & Co. said on Friday it fired two junk-bond traders on Sept. 3. for mishandling a customer account.

A Merrill executive who asked not to be named said the traders were dismissed because they removed a trade from a client's account and placed it in their own accounts without approval. It was not clear how much money was involved in the transaction, which violated Merrill rules.

The traders were identified as Edward Scherer and Richard Kursman, vice presidents in Merrill's high-yield bond sales and trading department.

Society Corp. to Acquire Ameritrust

CLEVELAND (AP) — Society Corp. announced Friday it agreed to acquire crosstown rival Ameritrust Corp. in a stock deal valued at nearly $1.2 billion that will create a huge Cleveland-based banking company with more than $26 billion in assets. It will retain the name Society Corp.

The agreement, the latest in a recent wave of banking consolidation, calls for Ameritrust common shareholders to get 0.65 of a share of Society common stock for each share of Ameritrust common stock.

AT&T Takeover of NCR Is Approved

DAYTON, Ohio (AP) — NCR Corp. shareholders approved the takeover of the computer maker by American Telephone & Telegraph Co., according to preliminary vote results released Friday. NCR shareholders will get AT&T stock valued at $110.74 for each share of NCR stock.

Charles Russ, NCR vice president, said 53.4 million shares were voted in favor of the merger, 179,400 against and 197,181 abstained. At least 43.3 million votes were needed to approve the merger. In May, NCR's board of directors agreed to an acquisition of the company by the AT&T in a $7.4 billion deal that followed a five-month takeover battle.

Northwest Ends Trump Shuttle Talks

NEW YORK (AP) — Northwest Airlines has broken off talks on managing and possibly acquiring the Trump Shuttle, after failing to come to terms with the machinists union, it was announced Friday. Northwest and banks that lent Donald Trump money to buy the Washington-to-New York shuttle airline had been trying to finalize an agreement tentatively reached in July.

For the Record

General Dynamics Corp. said said Friday it will cut 1,500 jobs, or more than a quarter of the staff of its Air Defense Systems Division, next year at its missile-making facilities in Arkansas, Arizona and California. *(UPI)*

Amax Gold Inc. said it reached an agreement worth up to $200 million to acquire the undeveloped Fort Knox gold field in Alaska, which is expected to yield 350,000 ounces of gold a year. *(AP)*

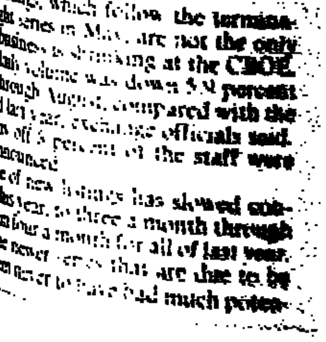
FIRST COLUMN

The Other Side of the Gold Coin

BRIEFCASE

Donoghue's Offers Help In Choosing Money Funds

Chicago Board Opts Out Of Some Dreary Contracts



There's nothing ... for higher interest an...

RATES: *Federal Reserve Eases Monetary Policy to Keep Recovery Going*

(Continued from Page 1)

gust to the level of the discount rate, which is normally lower. That move led to a sharp erosion in the value of the dollar.

On Friday, the currency traded at a low of 1.6785 Deutsche marks before the rate cuts, jumped nearly a pfennig after the news to a high of 1.6895 DM and then traded uncertainly.

The currency closed at 1.6890 DM and 134.08 Japanese yen in New York.

Paul Chertkow, an analyst at Citibank, cited "an absence of dollar buyers" for the currency's weakness. He said that in such relatively illiquid conditions, it was easy for interbank traders to push the dollar lower in the hope of being able to buy it back more cheaply.

Mr. Chertkow warned that if the dollar continued to weaken and raised the cost of imported goods, this could prompt the Fed to intervene in currency markets to support the dollar.

The dollar's major problem is that given the level of international interest rates, traders are effectively paid to short, or sell, the currency. It currently costs 5.5 percent to borrow dollars, which can be sold for Deutsche marks and invested to earn 9.125 percent.

"We can only go long the dollar," one European trader said, meaning to buy the currency, "when we get a clear signal that the recovery is under way." That would mean rising stock prices and potentially higher U.S. interest rates.

Analysts tend to the view that Friday's cut in U.S. interest rates is the last in this cycle.

Neal A. Soss at First Boston in New York said that the Fed purposely "dragged its heels," lowering the money market rate in August and waiting almost a full month before confirming it with a cut in the discount rate, to signal "that it will avoid excessive stimulus and convey the sense that this is the last cut."

U.S. FUTURES

Via Associated Press Sept. 13

Season High	Season Low		Open	High	Low	Close	Chg.
Grains							
WHEAT (CBT) 5,000 bu minimum- dollars per bushel							
3.26	2.58½	Sep	3.24½	3.24½	3.21	3.23	+.00½
3.30¾	2.72½	Dec	3.29½	3.31½	3.27¾	3.30	+.00½
3.70¾	2.79	Mar	3.32½	3.34	3.30	3.33½	+.01¼
3.31	2.80½	May	3.26½	3.28½	3.25¾	3.28	+.01½
3.12¾	2.79	Jul	3.12½	3.12½	3.09½	3.11¾	+.00¾
3.19	2.92	Sep				3.17¾	+.00¾
Est. Sales Prev. Sales 13,227							
Prev. Day Open Int. 53,956 up 1,149							
WHEAT (KCBT) 5,000 bu minimum- dollars per bushel							
		Sep	3.20¾	3.22	3.20¾	3.22	+ .01
		Dec	3.25½	3.28½	3.25¼	3.27¾	+ .01
		Mar	3.28	3.28¾	3.26	3.28½	+ .01
		May	3.22	3.25	3.21½	3.25	+ .03½
		Jul	3.09½	3.11½	3.08¾	3.11½	+ .01
Est.Sales Prv.Sales 5,860 Prev.Day Open Int 35,961 Chg. —218							
CORN (CBT) 5,000 bu minimum- dollars per bushel							
2.87½	2.18½	Sep	2.53	2.54½	2.50	2.50½	—.01¼
2.75	2.20	Dec	2.56½	2.58	2.53½	2.54	—.01¼
2.77¼	2.28½	Mar	2.64	2.65½	2.60½	2.60¾	—.02
2.79½	2.34¾	May	2.68¾	2.69	2.65	2.65¼	—.01½
2.82	2.39½	Jul	2.69½	2.70¾	2.66½	2.67	—.01½
2.65	2.36½	Sep	2.55½	2.55½	2.53½	2.53½	—.00¾
2.59¾	2.36½	Dec	2.52	2.52¼	2.49	2.49¼	—.01½
Est. Sales Prev. Sales 38,732							
Prev. Day Open Int.212,756							
SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel							
6.54	5.13½	Sep	5.93½	5.93½	5.88	5.92	+.02¾
6.74	5.17	Nov	6.04	6.05	5.95½	5.97¼	+.00½
6.59	5.27½	Jan	6.13	6.16	6.06¼	6.08½	+.01¼
6.66	5.38	Mar	6.23½	6.25	6.16	6.17¾	+.01
6.68	5.47	May	6.29½	6.31½	6.23½	6.26¼	+.02¼
6.68	5.62½	Jul	6.33	6.36	6.27½	6.29¼	+.01¾
6.60	5.90	Aug	6.31	6.31	6.24½	6.25	+.03
6.28	5.57	Sep	6.07	6.07	5.99½	5.96	—.02
6.20¾	5.52	Nov	5.96	5.99	5.85¼	5.85¼	—.07
Est. Sales Prev. Sales 36,054							
Prev. Day Open Int. 92,294 up 2,529							
SOYBEAN MEAL (CBT) 100 tons- dollars per ton							
195.20	160.00	Sep	195.20	197.10	195.00	196.40	+2.60
195.00	159.90	Oct	193.50	194.70	192.30	194.10	+2.70
196.50	160.00	Dec	190.50	192.40	189.80	191.80	+2.60
197.00	161.30	Jan	188.50	190.50	188.50	190.00	+2.78
1180.00	163.50	Mar	188.50	188.90	186.80	188.00	+2.50
194.00	164.50	May	184.30	185.50	184.00	184.70	+1.70
196.00	166.00	Jul	183.50	184.50	183.00	184.50	+2.50
184.50	172.50	Aug	183.50	183.50	183.50	183.00	+2.00
183.50	173.00	Sep	183.50	183.50	183.00	183.30	+2.20
Est. Sales Prev. Sales 22,786							
Prev. Day Open Int. 69,258 up 2,395							
SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.							
25.10	18.37	Sep	20.78	20.78	20.39	20.49	—.19
24.90	18.50	Oct	20.83	20.83	20.45	20.45	—.27
24.05	18.81	Dec	21.20	21.20	20.70	20.75	—.27
24.15	19.00	Jan	21.25	21.35	20.90	20.92	—.30
24.10	19.32	Mar	21.65	21.72	21.26	21.28	—.27
23.90	19.62	May	21.84	21.85	21.52	21.53	—.22
23.30	19.90	Jul	22.05	22.10	21.85	21.85	—.22
22.10	20.05	Aug				21.95	—.25
21.90	21.20	Sep				21.97	—.13
22.00	21.35	Oct				21.85	—.25
Est. Sales Prev. Sales 18,867							
Prev. Day Open Int. 67,645 up 735							
Livestock							
CATTLE (CME) 40,000 lbs.- cents per lb.							
76.90	68.62	Oct	72.00	72.17	71.47	71.65	—.37
77.00	71.15	Dec	74.80	75.02	74.47	74.62	—.30
76.70	71.00	Feb	72.90	73.15	72.75	72.97	
77.00	72.10	Apr	73.50	73.70	73.35	73.40	—.10
75.15	70.25	Jun	71.10	71.27	70.95	71.20	—.02
72.60	69.25	Aug	69.95	69.95	69.95	69.42	+.02
70.17	70.12	Oct	69.80	69.80	69.80	69.80	
Est. Sales 15,422 Prev. Sales 19,576							
Prev. Day Open Int. 75,030 up 387							
FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
88.95	79.75	Sep	85.05	85.40	84.95	85.30	+.03
88.20	80.20	Oct	83.70	83.87	83.45	83.72	—.08
88.10	80.90	Nov	83.45	83.65	83.30	83.35	—.10
87.80	80.80	Jan	83.20	83.20	83.02	83.10	—.12
87.10	80.27	Mar	82.10	82.15	82.00	81.90	—.12
87.00	79.95	Apr	81.70	81.80	81.65	81.57	—.13
86.50	78.95	May	80.80	80.95	80.70	80.67	+.07
81.00	80.55	Aug				80.70	
Est. Sales 1,498 Prev. Sales 2,383							
Prev. Day Open Int. 11,118 up 174							
HOGS (CME) 40,000 lbs.- cents per lb.							
49.55	42.05	Oct	45.35	45.80	45.35	45.70	+.30
48.92	42.00	Dec	44.80	45.07	44.67	44.97	+.32
48.25	41.60	Feb	44.20	44.37	44.05	44.10	—.02
46.67	40.70	Apr	42.55	42.65	42.35	42.45	—.10
50.60	45.55	Jun	46.65	46.65	46.65	46.65	—.02
48.20	45.60	Jul	47.00	47.00	47.00	46.95	+.03
46.85	44.47	Aug				45.35	
41.25	40.50	Oct				41.25	
Est. Sales 3,467 Prev. Sales 4,580							
Prev. Day Open Int. 16,501 up 255							
PORK BELLIES (CME) 40,000 lbs.- cents per lb.							
63.00	43.80	Feb	49.80	50.80	49.80	50.70	+.93
61.00	43.00	Mar	49.75	50.70	49.75	50.57	+1.05
58.20	44.50	May	50.85	51.65	50.85	51.60	+.95
57.00	44.70	Jul	51.00	51.00	51.00	51.45	+.75
51.00	42.55	Aug				48.00	
Est. Sales 3,882 Prev. Sales 2,509							
Prev. Day Open Int. 6,897 off 121							
Food							
COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.							
113.50	77.60	Sep	90.00	91.00	88.25	87.75	—1.90
116.00	81.40	Dec	93.50	94.25	91.00	91.45	—1.65
107.50	85.00	Mar	96.40	97.35	94.30	94.50	—1.65
108.00	87.40	May	98.50	99.50	97.00	97.10	—1.35
108.00	90.50	Jul	101.25	101.25	99.70	99.95	—.80
108.00	92.25	Sep	104.00	104.00	102.20	103.00	—.50
107.25	98.00	Dec				107.00	—.25
Est. Sales 10,727 Prev. Sales 8,355							
Prev. Day Open Int. 42,882 up 580							
SUGAR WORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.							
14.40	7.45	Oct	8.95	9.02	8.87	8.91	—.09
10.14	7.56	Mar	8.77	8.82	8.65	8.79	+.01
9.77	7.65	May	8.71	8.79	8.63	8.76	+.05
9.05	7.80	Jul	8.69	8.77	8.69	8.76	+.04
9.00	7.93	Oct	8.66	8.73	8.66	8.73	+.05
Est. Sales 14,835 Prev. Sales 14,719							
Prev. Day Open Int.102,899 off 53							
COCOA (NYCSCE) 10 metric tons- $ per ton							
1515	893	Sep	1185	1185	1161	1153	—25
1535	953	Dec	1228	1228	1190	1203	—25
1528	997	Mar	1278	1287	1245	1254	—22
1385	1026	May	1310	1310	1276	1284	—21
1385	1056	Jul	1328	1330	1306	1304	—21
1342	1080	Sep	1330	1330	1330	1330	—15
1380	1119	Dec				1340	—21
1425	1272	Mar	1413	1418	1413	1393	—26
1418	1210	May	1422	1422	1420	1420	—20
1447	1294	Jul				1443	—20
Est. Sales 9,447 Prev. Sales 6,137							
Prev. Day Open Int. 54,286 up 1,069							
ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.							
127.00	106.00	Sep	118.25	118.75	118.00	118.70	+.65
121.80	111.80	Nov	117.50	117.75	116.75	117.35	+.80
120.50	112.45	Jan	117.30	117.40	116.60	117.20	+.80
120.20	113.60	Mar	118.00	118.00	117.50	118.00	+.65
120.20	115.00	May	118.60	118.75	118.10	118.75	+.95
120.20	115.25	Jul				118.75	+.95
120.30	118.00	Sep				118.75	+.95
		Nov				118.75	+.95
		Jan				118.75	+.95
Est. Sales 900 Prev. Sales 483							
Prev. Day Open Int. 8,894 up 43							
Metals							
HI GRADE COPPER (COMEX) 25,000 lbs.- cents per lb.							
110.50	9.20	Sep	106.70	106.80	106.30	106.60	—.25
106.90	95.30	Oct	105.40	105.40	105.30	105.35	—.40
106.00	95.10	Nov	104.95	104.95	104.85	104.95	—.30
108.50	94.50	Dec	104.40	104.60	104.00	104.35	—.30
104.90	95.00	Jan				103.35	—.15
105.10	95.00	Feb				102.75	—.15
106.80	93.90	Mar	102.00	102.20	102.00	102.10	—.15
100.50	93.50	Apr				101.55	
106.20	93.30	May	101.10	101.20	101.00	101.00	+.05
100.85	95.10	Jun				100.50	
103.80	92.80	Jul	99.90	100.30	99.90	100.05	
99.10	98.70	Aug				99.70	+.05
103.45	92.80	Sep	98.90	99.50	98.90	99.35	+.10
100.50	91.60	Dec	98.10	98.45	98.10	98.35	+.10
98.80	2.50	Jan				97.85	+.10
98.00	92.80	Mar	97.45	97.45	97.45	97.35	+.10
97.60	93.70	May				97.05	+.10
		Jul				96.80	+.10
Est. Sales 5,200 Prev. Sales 6,561							
Prev. Day Open Int. 41,732 up 459							
SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
454.0	367.5	Sep	397.0	397.0	395.0	398.8	+3.8
398.0	398.0	Oct				399.7	+3.5
386.0	386.0	Nov				401.8	+3.5
623.5	374.0	Dec	398.0	404.5	398.0	402.4	+3.5
596.0	391.0	Jan				404.4	+3.5
613.0	382.0	Mar	406.0	411.5	406.0	410.9	+3.4
589.0	385.0	May	412.5	412.5	412.5	415.4	+3.3
557.0	395.0	Jul				419.6	+3.2
483.0	408.0	Sep				424.5	+3.2
507.0	408.0	Dec	429.0	432.0	429.0	431.7	+3.1
505.0	440.0	Jan				434.4	+3.0
513.0	429.0	Mar	435.0	437.0	435.0	439.3	+3.0
473.0	438.0	May	441.0	441.0	441.0	444.9	+2.9
458.5	439.0	Jul				450.5	+2.8
Est. Sales 13,000 Prev. Sales 10,543							
Prev. Day Open Int. 87,268 up 754							
PLATINUM (NYME) 50 troy oz.- dollars per troy oz.							
513.00	330.00	Oct	346.70	348.50	346.50	347.60	+1.30
451.50	334.50	Jan	351.00	352.50	350.50	352.00	+1.30
438.50	339.50	Apr	356.00	356.00	356.00	355.90	+1.30
427.50	342.00	Jul	360.00	360.00	360.00	359.70	+1.30
404.00	356.50	Oct	367.50	367.50	367.50	367.20	+1.50
Est. Sales Prev. Sales 1,248							
Prev. Day Open Int. 18,857							
PALLADIUM (NYME) 100 troy oz- dollars per oz							
119.40	77.50	Sep	81.25	81.25	81.25	81.05	—.35
114.50	78.00	Dec	81.75	82.20	81.50	81.55	—.35
103.75	80.38	Mar				82.45	—.35
101.75	83.50	Jun				83.95	—.35
Est. Sales Prev. Sales 104							
Prev. Day Open Int. 4,067							
GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
375.00	341.00	Sep	344.10	344.10	344.10	344.40	+.10
476.80	343.00	Oct	344.80	345.80	344.30	345.20	+.10
		Nov	346.80	346.80	346.80	346.60	
483.00	346.00	Dec	347.70	349.20	347.40	348.20	
454.50	349.50	Feb	350.70	351.40	350.70	351.20	—.10
446.00	354.00	Apr	354.00	354.00	354.00	353.80	—.10
467.00	355.00	Jun				356.10	—.10
426.50	360.00	Aug	359.60	359.60	359.60	360.00	—.10
410.80	364.20	Oct				363.00	—.10
406.80	366.60	Dec	366.00	366.50	366.00	366.20	—.10
404.20		Feb				369.60	—.10
410.00	375.00	Apr				372.90	—.10
411.80	378.00	Jun	376.40	376.70	376.40	376.40	—.10
Est. Sales 22,000 Prev. Sales 19,974							
Prev. Day Open Int.105,827 off 576							
Financial							
US T. BILLS (IMM) $1 million- pts of 100 pct.							
95.12	91.60	Sep	94.82	94.87	94.81	94.82	+.05
95.20	92.24	Dec	94.88	94.91	94.80	94.83	+.02
95.20	93.42	Mar	94.84	94.88	94.82	94.84	+.04
94.65	93.15	Jun				94.59	+.04
94.16	93.87	Sep				94.22	+.04
		Dec				93.68	
Est. Sales 14,853 Prev. Sales 6,465							
Prev. Day Open Int. 47,228 off 1,016							
5 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
02,200	98,275	Sep	103.205	103.225	103.110	103.130	+.020
02,210	98,190	Dec	102.260	103.000	102.190	102.215	+.015
01,280	99,250	Mar				102.005	+.095
Est. Sales Prev. Sales 7,600							
Prev. Day Open Int.							
10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
101-27	96-1	Sep	102-3	102-12	101-27	101-28	+1
101-6	95-15	Dec	101-13	101-23	101-3	101-6	+1
100-14	95-8	Mar	100-26	100-30	100-25	100-17	+2
99-13	98-11	Jun				99-30	+2
Est. Sales Prev. Sales 26,019							
Prev. Day Open Int. 97,542 up 2,107							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
99-12	85-29	Sep	99-24	100-2	99-3	99-9	—2
98-20	85-19	Dec	98-30	99-10	98-7	98-14	—3
98-13	85-14	Mar	98-6	98-12	97-24	97-22	—3
97-19	85-3	Jun	97-16	97-20	96-27	96-30	—3
96-13	87-14	Sep	97	97	97	96-9	—4
95-27	85-4	Dec	96-8	96-8	95-22	95-22	—5
94-26	90-16	Mar	95-11	95-11	95-5	95-5	—6
92-29	90-22	Jun				94-21	—6
91	90	Sep				94-6	—6
		Dec				93-24	—6
90-7	90	Mar				93-11	—6
Est. Sales Prev. Sales285,294							
Prev. Day Open Int.321,880 up 12,753							
MUNICIPAL BONDS (CBT) $1000x index-pts & 32nds of 100 pct							
94-11	84-7	Sep	94-15	94-17	94-7	94-10	+2
93-25	88-16	Dec	94	94-4	93-22	93-24	+3
92-28	88	Mar				93-5	+3
Est. Sales Prev. Sales 4,189							
Prev. Day Open Int. 8,524 up 497							
EURODOLLARS (IMM) $1 million-pts of 100 pct.							
94.48	90.04	Sep	94.47	94.51	94.46	94.49	+.06
94.23	90.35	Dec	94.28	94.32	94.17	94.20	—.01
94.23	90.09	Mar	94.27	94.29	94.16	94.22	+.03
93.93	90.35	Jun	93.97	94.00	93.89	93.94	+.04
93.55	90.32	Sep	93.58	93.61	93.50	93.55	+.04
92.98	90.24	Dec	93.02	93.05	92.95	93.02	+.06
92.83	90.28	Mar	92.88	92.91	92.81	92.88	+.06
92.57	90.27	Jun	92.62	92.65	92.55	92.62	+.06
92.35	90.22	Sep	92.39	92.42	92.33	92.40	+.06
92.04	90.22	Dec	92.05	92.11	92.04	92.09	+.06
92.06	90.24	Mar	92.08	92.12	92.04	92.11	+.06
91.94	90.40	Jun	91.98	92.00	91.94	91.99	+.06
91.81	90.36	Sep	91.82	91.88	91.80	91.86	+.06
91.61	90.71	Dec	91.62	91.68	91.60	91.66	+.06
91.64	90.75	Mar	91.49	91.69	91.63	91.69	+.06
91.56	90.71	Jun	91.58	91.63	91.55	91.61	+.06
Est. Sales315,744 Prev. Sales181,964							
Prev. Day Open Int.955,126 up 12,204							
BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001							
1.9340	1.5824	Sep	1.7284	1.7370	1.7210	1.7328	—44
1.7900	1.5670	Dec	1.7104	1.7188	1.7020	1.7134	—50
1.7020	1.5470	Mar	1.7000	1.7000	1.6990	1.6974	—52
		Jun				1.6824	—52
Est. Sales 29,313 Prev. Sales 28,155							
Prev. Day Open Int. 38,324 up 1,719							
CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001							
.8797	.7985	Sep	.8801	.8808	.8790	.8801	+10
.8735	.8172	Dec	.8739	.8746	.8735	.8739	+9
.8676	.8268	Mar	.8681	.8684	.8681	.8684	+9
.8600	.8330	Jun	.8630	.8630	.8630	.8629	+9
.8540	.8420	Sep					
.8520	.8520	Dec	.8530	.8530	.8529	.8527	+9
Est. Sales 6,590 Prev. Sales 4,449							
Prev. Day Open Int. 38,009 off 257							
GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001							
.6810	.5401	Sep	.5917	.5955	.5885	.5932	—19
.6770	.5365	Dec	.5860	.5902	.5825	.5878	—20
.5860	.5353	Mar	.5817	.5850	.5805	.5828	—20
.5730	.5322	Jun				.5784	—20
Est. Sales 72,110 Prev. Sales 54,613							
Prev. Day Open Int. 90,449 up 702							
JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001							
.007870	.007083	Sep	.007464	.007481	.007437	.007465	—10
.007539	.006997	Dec	.007444	.007468	.007412	.007447	—7
.007447	.007080	Mar	.007435	.007446	.007435	.007443	—5
.007452	.007150	Jun	.007441	.007441	.007441	.007445	
.007280	.007280	Sep				.007451	+5
		Dec				.007463	+3
Est. Sales 36,274 Prev. Sales 40,508							
Prev. Day Open Int. 78,733 up 5,931							
SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001							
.8055	.6254	Sep	.6750	.6790	.6702	.6779	—20
.8090	.6240	Dec	.6707	.6747	.6658	.6735	—22
.6995	.6267	Mar	.6685	.6685	.6685	.6692	—22
		Jun				.6662	—18
Est. Sales 28,139 Prev. Sales 25,712							
Prev. Day Open Int. 34,562 off 493							
Industrials							
COTTON 2 (NYCE) 50,000 lbs.- cents per lb.							
83.30	62.30	Oct	63.75	64.15	63.40	63.55	+.23
76.35	63.51	Dec	64.80	65.45	64.47	64.86	+.38
77.15	64.65	Mar	66.20	66.45	65.78	66.42	+.47
92.25	65.10	May	66.70	67.15	66.70	67.10	+.40
77.70	66.50	Jul	67.30	67.80	67.30	67.63	+.33
70.60	66.35	Oct	66.75	66.75	66.75	66.79	+.13
69.00	65.65	Dec	66.50	66.50	66.10	66.10	+.10
Est. Sales 7,500 Prev. Sales 9,466							
Prev. Day Open Int. 39,208 up 724							
HEATING OIL (NYME) 42,000 gal- cents per gal							
85.00	51.30	Oct	61.45	61.80	61.20	61.60	+.43
78.00	52.30	Nov	62.60	62.90	62.40	62.88	+.45
82.62	53.30	Dec	63.65	64.00	63.60	63.95	+.38
69.10	53.40	Jan	64.00	64.25	63.80	64.10	+.18
67.30	52.40	Feb	62.55	63.08	62.50	62.90	+.25
64.50	51.40	Mar	60.85	60.85	60.00	60.48	+.20
61.80	50.00	Apr	57.60	57.80	57.60	57.80	+.15
59.90	48.25	May	56.40	56.40	56.40	56.40	+.05
58.50	48.00	Jun	55.50	55.50	55.50	55.50	+.30
58.30	51.60	Jul	54.80	54.80	54.80	54.80	—.15
57.65	52.75	Aug	55.40	55.40	55.40	55.40	—.35
Est. Sales Prev. Sales 21,491							
Prev. Day Open Int.136,159 up 1,958							
CRUDE OIL (NYME) 1,000 bbl.- dollars per bbl.							
28.40	17.04	Oct	21.45	21.77	21.45	21.70	+.37
28.10	17.20	Nov	21.60	21.70	21.53	21.65	+.34
27.70	17.10	Dec	21.50	21.59	21.41	21.57	+.17
27.60	17.25	Jan	21.38	21.45	21.30	21.45	+.17
27.00	17.50	Feb	21.24	21.33	21.18	21.33	+.17
26.75	17.25	Mar	21.09	21.12	21.02	21.12	+.09
24.50	17.50	Apr	20.93	20.96	20.93	20.95	+.03
24.60	17.30	May	20.88	20.88	20.81	20.81	—.02
24.50	17.70	Jun	20.74	20.74	20.74	20.74	
22.11	17.90	Jul	20.67	20.67	20.62	20.62	—.05
21.33	17.75	Aug	20.60	20.62	20.55	20.55	—.07
24.00	17.78	Sep	20.60	20.67	20.56	20.66	+.05
21.40	19.80	Nov	20.58	20.58	20.58	20.58	—.05
24.00	18.25	Dec	20.60	20.60	20.40	20.40	—.05
20.91	20.50	Feb	20.61	20.61	20.61	20.61	—.05
21.35	19.90	Jun	20.74	20.74	20.74	20.74	
		Sep	20.85	20.87	20.85	20.87	+.05
Est. Sales Prev. Sales 73,512							
Prev. Day Open Int.256,566 up 190							
UNLEADED GASOLINE (NYME) 42,000 gal- cents per gal							
86.75	49.75	Oct	61.70	61.90	61.45	61.60	+.25
66.75	48.60	Nov	60.25	60.50	60.00	60.35	+.37
75.25	47.75	Dec	58.90	59.25	58.60	59.25	+.46
61.60	47.00	Jan	57.85	58.40	57.80	58.40	+.70
61.35	50.70	Feb	58.25	58.35	58.25	58.35	+.35
62.40	50.50	Mar	59.35	59.55	59.35	59.55	+.40
66.40	57.30	Apr	64.10	64.10	64.10	64.18	+.50
60.75	58.00	Aug	59.80	59.80	59.80	59.80	+.40
Est. Sales Prev. Sales 18,532							
Prev. Day Open Int. 89,838 up 1,956							
Stock Indexes							
SP COMP. INDEX (CME) points and cents							
398.60	304.80	Sep	388.70	388.80	382.90	383.50	—4.30
401.50	321.75	Dec	390.40	391.30	385.50	386.15	—4.25
403.20	380.00	Mar				388.80	—4.30
400.40	392.50	Jun				391.95	—4.45
Est. Sales Prev. Sales 64,435							
Prev. Day Open Int.158,248 up 4,139							
NYSE COMP. INDEX (NYFE) points and cents							
218.45	172.10	Sep	212.90	213.35	210.30	210.45	—2.20
219.70	175.90	Dec	214.10	214.55	211.58	211.90	—2.20
220.35	207.20	Mar	215.70	215.70	213.45	213.15	—2.20
218.20	208.90	Jun				214.40	—2.20
Est. Sales Prev. Sales 5,212							
Prev. Day Open Int. 6,493 up 223							

Commodity Indexes

	Close	Previous
Moody's	1,032.00	1,030.40
Reuters	1,671.60	1,666.40
Dow Jones Futures	123.02	123.72
Comm. Research	214.50	214.54

WORLD STOCK MARKETS

Agence France Presse Sept. 13

	Close	Prev.
Amsterdam		
ABN Amro Hld	40.30	40.40
ACF Holding	37	37
Aegon	114.30	114.10
Ahold	83.50	83.50
Akzo	122.10	121.80
AMEV	49.60	49.70
A'Dam Rubber	3.35	3.40
Bols	43.03	43.70
Buhrmann Tett	45.50	45.40
Center Parcs	24.25	23.75
CSM	82.10	80.70
DAF	21.60	21.70
DSM	106.70	106.40
Elsevier	58.70	57.40
Fokker	31.80	31.80
Gist-Brocades	36.30	36.20
Heineken	149.40	149.40
Hoogovens	59.40	59.70
Hunter Douglas	76.50	76.10
IHC Caland	61.80	62
Inter Mueller	73.30	73
Int'l Nederland	47.40	47.90
KLM	31	30.30
KNP	49.60	49.50
Nedlloyd	56.30	56.70
Oce Grinten	58.30	57.90
Pakhoed	42.50	44.20
Philips	36.40	36.60
Robeco	99.70	99.20
Rodamco	53.20	52.80
Rolinco	99.60	99
Rorento	68.70	68
Royal Dutch	155.60	156.30
Unilever	162	159.90
Van Ommeren	43.10	44
VMF Stork	35.25	35
VNU	78.10	78
Wessanen	83.80	83.50
Wolters Kluwer	57.70	57.70
CBS trend index : 92.30		
Previous : 92.20		
Brussels		
AG Fin	1825	1815
Arbed	4505	4500
Barco	1000	998
Bekaert	9750	9690
Cockerill	168	167
Cobepa	4950	4900
Delhaize	7640	7690
Electrabel	4465	4445
GB-Inno-BM	1230	1216
GBL	3235	3260
Gevaert	6700	6490
Hoboken	N.Q.	10500
Kredietbank	4020	3990
Petrofina	11175	11150
Royal Belge	3930	3950
Soc Gen Bque	3300	3260
Soc Gen Belgique	2300	2310
Sofina	11625	11625
Solvay	12575	12550
Tractebel	7900	7900
UCB	18450	18425
Powerfin	2370	2360
Current Stock Index : 5591.17		
Previous : 5576.14		
Frankfurt		
AEG	187.40	184
Allianz Hold	1995	1976
Altana	639	639.20
Asko	879	871
BASF	250.90	250
Bayer	288	286
Bay. Hypo bank	351	347
Bay Vereinsbk	399.50	398.50
BBC	N.Q.	780
BHF Bank	365	365
BMW	520.50	519.50
Commerzbank	248.53	247.30
Continental	218	218
Daimler Benz	745.50	746
Degussa	352.80	352
Dt Babcock	160.90	161
Deutsche Bank	649.50	645.70
Douglas	734	734
Dresdner Bank	343	342
Harpener	303	300.50
Henkel	558	563
Hochtief	1290	1275
Hoechst	244.70	242.80
Hoesch	302.50	299
Holzmann	1295	1295
Horten	194.50	192
IWKA	322	319.50
Kali Salz	170	169.50
Karstadt	627	625
Kaufhof	523	513.80
KHD	164	162
Kloeckner Werke	144.50	143.80
Krupp Stahl		
Linde	819.50	814
Lufthansa	150.50	147.50
MAN	0.10	N.Q.
Mannesmann	277.80	277.50
Metallgesell	486	492
Muench Rueck	2220	2270
Nixdorf	233	230
PKI	509.50	509.50
Porsche	719	712
Preussag	376.50	374.50
PWA	259.50	250
RWE	380	379
Rheinmetall	374	317
Schering	801	802.50
SEL	367.50	365
Siemens	651	654.80
Thyssen	265	265
Varta	336	337
Veba	348.10	346
VEW	199.90	199.80
Viag	396.80	394.20
Volkswagen	380	378.80
Wella	648.50	647
DAX Index : 1637.62		
Previous : 1631.32		
FAZ Index : 678.10		
Previous : 674.59		
Helsinki		
Amer A	53	53
Enso-Gutzeit	19	19
K.O.P.	25.50	25.50
Kymmene	64	64
Metra	66.10	66.10
Nokia	86.50	87.50
Pohjola	87	82
Repola	48.30	48
Stockmann	124	120
HEX Index : 924.80		
Previous : 928.50		
Hong Kong		
Bk East Asia	18.90	18.90
Cathay Pacific	9.90	9.85
Cavendish Int'l	3.63	3.58
Cheung Kong	20.50	20.50
China Light Pwr	20.70	21
Dairy Farm Int'l	10	10
Hang Lung Dev	8	7.85
Hang Seng Bank	32.25	32.25
Henderson Land	13	13
HK Air Eng.	17.50	17.70
HK China Gas	10.50	10.30
HK Electric	12.60	12.60
HK Land	8.75	8.60
HK Realty Trust	7	6.50
HK Shang Bank	30.75	30.75
HK Shang Htls	4.65	4.68
HK Telecomm	7	7
HK Ferry	5.10	5.15
Hutch Whampoa	14.30	14.40
Hysan Dev	7.95	8
Jardine Math.	32	32
Jardine Str Hld	16.10	15.90
Kowloon Motor	7.90	7.95
Mandarin Orient	4.68	4.63
Miramar Hotel	5.80	5.80
New World Dev	10.90	10.90
SHK Props	22	21.80
Stelux	3.45	3.35
Swire Pac A	22.20	21.80
Tai Cheung Prps	4.88	4.90
TVE	2.03	1.93
Wharf Hold	9.95	10.20
Wing On Co	7.60	7.60
Winsor Ind.	8.90	9.60
World Int'l	5.40	5.25
Hang Seng Index : 3974.12		
Previous : 3970.10		
Johannesburg		
AECI	10.85	10.85
Altech	92	92
Anglo Amer	117	117.25
Barlows	47.25	47.50
Blyvoor	6	6
Buffels	37.25	37.25
De Beers	85.50	85.25
Driefontein	36.85	37.50
Gencor	12.90	13.05
GFSA	68.75	69
Harmony	16.90	16.90
Highveld Steel	15.65	15.65
Kloof	28	28.25
Nedbank Grp	14.75	14.50
Randfontein	12.40	12.75
Rusplat	61	64
SA Brews	37	37.50
St Helena	22.25	22.25
Sasol	16.75	16.90
Welkom	13.25	13.25
Western Deep	102	104
Composite Stock Index : 3409		
Previous : 3420		
London		
Abbey Nat'l	2.99	2.99
Allied Lyons	6.02	6.10
Arjo Wiggins	2.72	2.73
Argyll Group	3.07	3.08
ASDA Group	1.01	1.04
Ass Brit Foods	5.06	5.06
BAA	4.58	4.55
BAe	4.13	4.19
Bank Scotland	1.18	1.19
Barclays	4.70	4.72
Bass	9.80	9.77
BAT	6.69	6.70
BET	2.74	2.21
BICC	4.52	4.47
Blue Circle	2.74	2.74
BOC Group	5.95	6.01
Boots	4.39	4.40
BP	3.36	3.43
Brit Airways	1.86	1.86
Brit Gas	2.48	2.48
Brit Steel	1.25	1.22
Brit Telecom	3.84	3.89
BTR	4.35	4.40
Cable Wire	5.75	5.83
Cadbury Sch	4.14	4.20
Comm Union	5.22	5.27
Courtaulds	5.03	5.05
Enterprise Oil	5.29	5.21
Eurotunnel	4.85	4.75
Fisons	5.03	5.12
Forte	2.81	2.87
GEC	1.91	1.95
Gen'l Acc	5.48	5.61
Glaxo	13.64	13.69
Grand Met	8.33	8.36
GRE	1.91	1.90
Guinness	9.97	10.02
GUS A	13.85	14
Hanson	2.14	2.15
Hawker Sidd	5.83	5.95
Hillsdown	2.57	2.52
ICI	13	13.13
Kingfisher	5.75	5.81
Ladbroke	2.79	2.82
Land Sec	5.26	5.27
Lasmo	3.12	3.17
Legal Gen Grp	4.40	4.38
Lloyds Bank	4.03	4.05
Lonrho	2.35	2.40
Lucas Ind	1.51	1.49
Marks Sp	2.85	2.82
Maxwell	1.78	1.80
MEPC	4.82	4.86
Midland Bk	2.37	2.42
Nat'l Power	1.51	1.51
NatWest	3.53	3.50
NthWst Water	3.84	3.85
Pearson	7.60	7.62
P&O	5.25	5.33
Pilkington	1.67	1.65
PowerGen	1.64	1.65
Prudential	2.54	2.52
Racal Elec	2.32	2.30
Rank Org	7.45	7.38
Reckitt Col	6.91	6.90
Redland	5.90	5.97
Reed Int'l	4.84	4.92
Reuters	9.08	8.87
RMC Group	6.80	6.80
Rolls Royce	1.43	1.43
Rothmans	10.65	10.55
Royal Ins	3.71	3.80
Royal Scot	1.90	1.90
RTZ	5.63	5.68
Sainsbury	3.63	3.65
Scot Newcas	4.14	4.19
Sears Holds	0.94	0.94
Severn Trent	3.58	3.51
Shell	5.30	5.30
Smith Nephew	1.36	1.36
SmithKline B	7.74	7.81
Sun Alliance	3.59	3.66
Tarmac	2.33	2.36
Tate & Lyle	3.90	3.84
Tesco	2.83	2.80
Thorn EMI	8.12	8.12
Trafalgar Hse	2.34	2.37
TSB Group	1.52	1.53
Ultramar	2.54	2.63
Unilever	7.65	7.68
Utd Biscuits	4.02	4.08
War Loan 3½	36.88	36.44
Wellcome	7.31	7.34
Whitbread	5.04	5.09
Williams Hdgs	3.67	3.72
Willis Corroon	3.12	3.06
F.T. 30 Index : 2073.20		
Previous : 2083.80		
F.T.S.E. 100 Index : 2625.80		
Previous : 2641.30		
Madrid		
Bco. Bilbao/Viz.	3205	3180
Banco Central	4220	4220
Bco. Santander	5160	5070
Banesto	3840	3770
CEPSA	2270	2270
Dragados	2345	2375
Iberdrola	701	697
Telefonica	1005	1000
S.E. General Index : 272.34		
Previous : 271.32		
Milan		
Alenia	2791	2791
Banca Comm	4770	4710
Bastogi	196	199
Benetton group	10100	10030
Ciga hotels	2377	2380
CIR	2455	2454
Cred Ital	2535	2560
Enichem	1460	1459
Eridania	7300	7380
Ferfin	1986	1970
Ferfin Risp	1276	1260
Fiat SPA	5495	5440
Generali	29650	29350
IFI	14500	14200
Italcem	22170	21950
Italgas	3163	3130
Italmobiliare	71200	70800
Mediobanca	15000	14800
Montedison	1267	1255
Olivetti	3175	3130
Pirelli	2010	1980
RAS	16800	16510
Rinascente	7430	7300
Saipem	1545	1550
SIP	1090	1080
SME	3171	3122
Snia	1295	1275
Standa	33750	34215
Stet	1950	1920
Toro Assi Risp	21700	21370
MIB Index : 1050		
Previous : 1050		
Montreal		
Alcan Aluminum	22¾	22¼
Bank Montreal	37½	37½
Bell Canada	44	44¼
Bombardier A	23⅛	23¼
Bombardier B	23¼	23⅛
Cambior	8⅞	8⅞
Cascades	5⅝	5⅝
Dominion Text A	7⅝	7⅝
Donohue	12	N.Q.
MacMillan Bl	18	18⅛
Mematec	N.Q.	—
Nat'l Bk Canada	11⅛	11
Power Corp.	15⅛	15⅛
Provigo	12¼	12¼
Quebec Tel	16½	16⅛
Quebecor A	17⅛	N.Q.
Quebecor B	16⅞	16⅞
Videotron	13⅛	13⅛
Industrials Index : 1567.11		
Previous : 1574.71		
Paris		
Accor	805	800
Air Liquide	700	695
Alcatel Alsthom	597	595
Bancaire (Cie)	530	515
BIC	760	746
Bouygues	612	607
BSN-GD	941	930
Carrefour	2034	2019
C.C.F.	178	179.80
Cerus	134.40	133.40
Chargeurs	910	917
Club Med	468	454.90
Elf-Aquitaine	389.50	385.10
Gen. Eaux	2535	2489
Eurodisneyland	140	138.90
Hachette	192.90	190.40
Havas	519	518
Imetal	279	270
Lafarge Coppee	367.30	364
Legrand	3740	3770
Lyon. Eaux	543	532
Oreal (L')	627	625
L.V.M.H.	4090	4025
Matra	187.50	188
Merlin Gerin	550	555
Michelin B	121	122.50
Moulinex	165	160.40
Paribas	445	433.30
Pechiney Intl	167.50	167.10
Pernod-Ricard	1234	1241
Perrier	1351	1340
Peugeot	618	612
Printemps (Au)	882	875
Radiotechnique	504	505
Raff. St. Louis	1445	1470
Redoute (La)	4575	4575
Saint Gobain	476.50	473.50
Sanofi	984	950
S.E.B.	1745	1735
Ste Generale A	458.80	454.50
Suez	346	344
Thomson-CSF	145	144
Total	893	886
U.A.P.	525	528
Valeo	568	539
CAC 40 Index : 1876.19		
Previous : 1861.17		
Sao Paulo		
Banco do Brasil	195	203
Bradesco	10	10.30
Brahma	60	61.70
Paranapanema	5.35	5.40
Petrobras	220	229
Vale Rio Doce	355	368
Varig	49	47
Bovespa Index : 24958		
Previous : 27383		
Singapore		
City Dev.	3.32	3.38
DBS	11.80	11.90
Fraser Neave	8.45	8.40
Golden Hope Pl	1.12	1.12
Haw Par	2.42	2.45
Hume Industries	3.02	3.04
Inchcape	3.92	3.94
Keppel	7.40	7.35
KL Kepong	2.15	2.15
Lum Chang	1.01	1
Malayan Banking	3.84	3.86
OCBC	8.60	8.60
OUB	4.50	4.54
OUE	7	7
Sembawang	7.15	7.25
Shangrila	5.45	5.55
Sime Darby	2.15	2.13
SIA	12.40	13.40
S'pore Land	5.40	5.30
S'pore Press	8.75	8.75
Sing Steamship	2.25	2.33
Straits Trading	2.60	2.62
UOB	6.30	6.30
UOL	1.49	1.52
Straits Times Ind. : 1415.69		
Previous : 1417.98		
Stockholm		
AGA	320	N.Q.
Asea	405	412
Astra-A	521	527
Atlas Copco	275	275
Electrolux B	285	287
Ericsson	181	181
Esselte-A	145	145
Handelsbanken	105	107
Norsk Hydro	187.50	188
Procordia AF	195	197
Providentia	107	106
SCA-A	110	112
S-E. Banken	64.50	66
Skandia F	193	186
Skanska	169	169
SKF	117	118
Stora	340	348
Trelleborg B	112	115
Volvo	367	372
Affaersvaerlden Index : 1107.40		
Previous : 1112.20		
Sydney		
ANZ	3.77	3.78
BHP	13.85	13.85
Boral	3.28	3.33
Bougainville	0.74	0.76
Coles Myer	10.70	10.45
Comalco	3.98	3.94
CRA	13.40	13.40
CSR	5.24	5.22
Dunlop	5.24	5.16
Fosters Brew	1.82	1.82
ICI Australia	4.23	4.15
Magellan	2.25	2.25
MIM	2.10	2.12
Nat Aust Bank	7.24	7.34
News Corp	10	10.15
Nine Network	0.44	0.41
N Broken Hill	2.63	2.64
Poseidon	1.10	1.08
QCT Resources	1.17	1.17
Santos	3.34	3.34
TNT	1.07	1.06
Western Mining	4.98	5.02
Westpac Banking	4.76	4.77
Woodside	3.61	3.58
All Ordinaries Index : 1547.70		
Previous : 1549.10		
Tokyo		
Akai Electr	1170	1190
Asahi Chemical	777	752
Asahi Glass	1210	1180
Bank of Tokyo	1420	1400
Bridgestone	1120	1070
Canon	1520	1490
Casio	1350	1330
C.Itoh	701	675
Dai Nippon Print	1440	1400
Daiwa House	1850	1810
Daiwa Securities	1280	1190
Fanuc	4470	4390
Fuji Bank	2400	2420
Fuji Photo	3340	3300
Fujitsu	920	920
Hitachi	1020	1010
Hitachi Cable	1000	961
Honda	1500	1480
Ito Yokado	4460	4400
Japan Airlines	1220	1200
Kajima	1410	1390
Kansai Power	2980	2910
Kawasaki Steel	410	409
Kirin Brewery	1400	1350
Komatsu	865	795
Kubota	649	626
Kyocera	5290	5230
Matsu Elec Inds	1550	1530
Matsu Elec Wks	1450	1400
Mitsubishi Bk	2460	2420
Mitsubishi Kasei	560	545
Mitsubishi Elec	637	631
Mitsubishi Hev	740	724
Mitsubishi Corp	1340	1330
Mitsui and Co	819	786
Mitsukoshi	1090	1040
Mitsumi	1620	1630
NEC	1220	1220
NGK Insulators	998	972
Nikko Securities	900	894
Nippon Kogaku	920	910
Nippon Oil	1020	980
Nippon Steel	425	421
Nippon Yusen	634	600
Nissan	674	660
Nomura Sec	1680	1630
NTT (SF)	8613	8342
Olympus Optical	1350	1310
Pioneer	3440	3370
Ricoh	638	621
Sanyo Elec	527	507
Sharp	1460	1450
Shimazu	708	711
Shinetsu Chem	1620	1580
Sony	5570	5600
Sumitomo Bk	2130	2080
Sumitomo Chem	468	452
Sumi Marine	1050	1030
Sumitomo Metal	451	431
Taisei Corp	912	895
Taisho Marine	1070	1060
Takeda Chem	1450	1400
TDK	5450	5440
Teijin	538	520
Tokio Marine	1350	1330
Tokyo Elec Pw	3680	3610
Toppan Printing	1310	1290
Toray Ind.	659	638
Toshiba	670	661
Toyota	1530	1510
Yamaichi Sec	883	870
Nikkei 225 : 22134		
Previous : 22500		
Topix Index : 1787		
Previous : 1769		
Toronto		
Abitibi Price	15½	16
Agnico Eagle	4.65	4.55
Air Canada	8	8
Alberta Energy	13¼	14⅛
Am Barrick Res	24⅛	24⅛
BCE	44⅛	44⅛
BCED	0.13	0.13
Bk Nova Scotia	19⅛	19⅞
BC Gas	15⅛	15⅛
BC Phone	19¼	19⅛
BP Canada	13	13
Bramalea	5½	5⅛
Brunswick	7⅛	7⅛
CAE	7⅛	7⅛
Campeau	0.44	0.44
CIBC	31¼	31⅞
Canadian Pacific	18⅞	18⅞
Can Packers	15⅛	15⅛
Can Tire A	22⅛	23
Canadian Turbo	1.90	1.85
Cantor	24⅞	25⅛
Cara	5⅛	5½
CCL Ind B	10⅛	10⅛
Cineplex	4.05	4.10
Cominco	23	23
Conwest Expl A	N.Q.	12¼
Corona Int'l	6⅛	6⅛
Denison Min B	0.27	0.26
Dickenson Min A	2.90	2⅞
Dofasco	18⅛	18⅛
Dylex A	4.10	4.10
Echo Bay Mines	8⅛	8⅛
Equity Silver A	1.04	1.04
FCA Int'l	6	6
Fed Ind A	7⅛	7
Fletcher Chall A	15⅛	16
FPI	6⅛	6½
GoldCorp	3⅛	3⅛
Gulf Cda Res	8⅛	8⅛
Hees Int'l	17½	17⅛
Hemlo Gld Mines	9⅛	9½
Hollinger	12	11⅞
Horsham	10½	10⅛
Hudson's Bay	34⅛	34
Imasco	30⅛	30½
Inco	37⅛	36⅞
Interprov Pipe	30⅛	30
Jannock	16	16
Labatt	26⅛	26
Loblaw Co	19⅛	19⅞
Mackenzie	6⅛	6⅛
Magna Intl A	12⅛	13⅛
Maritime	20½	20⅛
Mark Res	7⅛	7⅛
MacLean Hunter	10	10⅛
Molson A	29⅛	29⅛
Noma Ind A	6⅛	6⅛
Noranda	17⅛	17⅛
Noranda Forest	7⅛	8
Norcen Energy	23⅛	22⅞
Nova Corp	7⅛	7⅛
Oshawa	25½	26⅛
Pagurin A	6⅛	6⅛
Placer Dome	12	12⅛
Poco Petroleum	7⅛	7½
PWA Corp	5½	5⅛
Quebec Sturgeon	N.Q.	—
Rayrock	6⅛	6½
Renaissance	15	14⅛
Rogers B	10½	10⅛
Rothmans	73⅛	73
Royal Bank Can	26⅛	26⅛
Royal TrustCo	9⅛	9⅛
Sceptre Res	2.85	2.85
Scott's Hosp	17⅛	17¼
Seagram	124	123⅞
Sears Can	12⅛	12¼
Shell Can	43½	43⅛
Sherritt Gordon	7⅛	7⅛
SHL Systemhse	5	4.95
Southam	16½	16⅛
Spar Aerospace	16	15⅛
Stelco A	5⅛	5⅛
Teck B	19½	19⅛
Thomson News	14⅛	14¼
Toronto Domn	17¼	17⅛
Torstar B	23⅛	23½
Transalta Util	12⅛	12⅛
TransCda Pipe	16⅛	16½
Triton Finl A	12½	12⅛
Trimac	8½	8⅛
Trizec A	12	11⅞
Woodward's Ltd	3	2.95
TSE 300 Index : 3421.18		
Previous : 3437.40		
Zurich		
Adia Intl	806	808
Alusuisse	1095	1090
Leu Holdings	1740	1745
Brown Boveri	4640	4600
Ciba Geigy	3220	3190
CS Holdings	2060	2080
Elektrow	2780	2760
Fischer	1280	1280
Interdiscount	3000	3000
Jacobs Suchard	N.Q.	—
Jelmoli	1600	1580
Landis Gyr	1110	1100
Moevenpick	3960	3930
Nestle	8400	8410
Oerlikon-B	395	400
Pargesa Hld	1190	1160
Roche Holding B	4990	4940
Safra Republic	85	86
Sandoz	2230	2210
Schindler	4720	4740
Sulzer	483	480
Surveillance	7790	7690
Swissair	770	770
SBC	319	320
Swiss Reinsur	503	503
Swiss Volksbank	1340	1270
Union Bank	3520	3510
Winterthur	3710	3690
Zurich Ins	1965	1960
SBS Index : 695.90		
Previous : 625.20		

FIRST COLUMN

The Other Side of the Gold Coin

WHATEVER happened to gold? The metal's lack of popularity touched a new depth this week, as it traded at a five-year low. As bullion sinks toward the $300 level from a historic peak of more than $800 per ounce in 1980, investors must be reflecting on an old cliché about the dearly departed. But gold, instead of being gone but not forgotten, is forgotten but not gone.

There have been some brave attempts to revive interest in the market recently, but some of them bear the stamp of desperation. A new five-day commodity option on gold in the United States has just been launched to try to excite the speculative appetites of the individual investor. It is too early to say whether this contract will succeed where other gold derivatives have failed.

Gold bulls have tried to interest the market in the possibility of a big upswing in demand for the metal by circulating rumors that a commemorative coin will be struck if Crown Prince Naruhito of Japan gets married. Coins may indeed be struck in such an event, but readers wanting to invest in the metal should bear in mind that earlier coin issues have had a relatively low gold content.

So what is to become of the forgotten mineral? Despite the eagerness of Eastern sellers that has helped depress prices, investors should think about the obverse side of the gold coin. If bullion is forgotten today it can be "discovered" tomorrow.

The classic adage is that gold should make up 10 percent of a balanced portfolio. That may be a little too bullish, but the new lows and the absence of new downside factors in gold suggest that a 5 percent investment in the interest of balance would not hurt.

Why Are These Corporate Prophets So Often False?

By Conrad de Aenlle

WEEK in and week out, brokerage houses publish diligently researched reports in which their highly paid, highly respected analysts estimate, sometimes down to the penny, what the companies they follow will earn in a given period. One of these reports, which can read like truncated doctoral dissertations, might explain in gruesome detail, and without the slightest hint of doubt, why Amalgamated Paper Clip, say, will earn $4.38 per share this year.

Investors, impressed by the painstaking effort and seemingly sound reasoning that went into that estimate, will call their brokers and snap up as many shares of Amalgamated as they can. Then a few weeks or months later, Amalgamated announces that a secular trend toward holding papers together with staples and glue has depressed sales and cut margins to the bone. Or maybe businesses are thinking green and trying to save trees by using less paper, and so they're buying fewer clips. In any event, the company earned only 3 cents a share, and when it discloses the grim fact, the stock falls 25 percent in minutes.

Most real-life miscalculations aren't that disastrous, and there are also some pleasant surprises, of course. Still, looking back over the last decade, earnings estimates for the Standard & Poor's 500, made one year in advance and constructed from forecasts for the individual companies, were 12 percent too high, on average, according to the Institutional Brokers Estimate System, which keeps track of earnings projections. The reason, argue some market observers, is that analysts are just too hopeful by nature.

"The only thing you can say is analysts, as a group, are an optimistic breed," said Rick Pucci, a vice president at IBES. But as time passes, they apparently begin to face facts.

"In 10 of the 12 past years," Mr. Pucci said, "analysts' aggregate estimates for the S&P 500 have started high and slowly been pared as the year went along." The exceptions were 1979, when earnings were pushed higher by ballooning inflation, and 1988, when forecasts were subdued by recession fears inspired by the stock market collapse of the previous October.

The IBES consensus for next year is that earnings for the S&P 500 will rise 27.8 percent. That's higher than the projections for the other industrial nations that make up the Group of Seven, except Canada. Canadian earnings are forecast to grow 50.9 percent in 1992, a spectacular recovery from an estimated fall this year of 11.6 percent. The smallest growth among the G-7 next year is expected in Japan, at 5.7 percent.

Paul Melton, editor of The Outside Analyst, agrees that analysts are an optimistic bunch, but credits nurture more than nature. Since most work for brokers, he said, "they can't place shares if they're too negative. The analysts' function is in the service of sales."

Keith Brown, director of European research for Morgan Stanley in London, disagrees. He asserted that financial service firms keep their research departments as disconnected from the brokerage end of the business as possible.

"They have to remain entirely separate and don't know what the other side is doing," he said.

Mr. Brown attributed the analysts' optimism to youthful exuberance, more than anything else. Many financial analysts are young enough never to have worked through a protracted bear market. It's easy to see why they would expect strong performance from the companies they follow; it's the only kind of performance many of them have had in years.

If American earnings forecasts leave much to be desired, they are still far superior to what's available elsewhere, Mr. Brown said, because research for the American market, flawed though it is, is more extensive than for any other.

While American companies report results quarterly, some European businesses report just semiannually and others only annually, he noted. And European reports tend to disclose less information, and to disclose it much longer after the fact. Accounting methods outside the United States are often less reliable, as well, he said, and that can taint earnings estimates.

Mr. Brown said he would trust Spanish and British projections more than Swiss and German ones.

"The U.K. has a good deal more disclosure," he said, adding that this made it much easier to figure out what is happening at a company.

Mr. Melton agreed that "you can rely on the estimates in the United States much more than elsewhere. If you're looking for haute cuisine and want something to surprise your palate, you don't go to McDonald's, but if you want a reliable hamburger. . . ."

He added that investors can filter out excessive analytical optimism, wherever it may be found, if they "check out the macroeconomics" and examine forecasts in the context of the economy.

Economists are pessimistic sorts, the antithesis of financial analysts, he said; such a somber way of looking at things can be used to keep the financial analysts' forecasts tethered not too far off the ground.

Hugh Johnson, chief economist at First Albany Corp., conceded that practitioners of his art can be a morose lot.

"I think there's probably some truth to that," he said. "Economists are trained to be very careful and not to become in any way emotional, euphoric, upbeat, happy in anything you forecast. You're trained to be sober, accurate and precise."

He added: "They tend to be very quantitative. A quantitative approach to anything can be laborious, tiring. It can turn the happiest of souls into the most lugubrious of people. The other side of it is there is always something wrong. You can always find ammunition for a restrained view."

But he added, "In the defense of analysts and economists, the world is essentially unpredictable."

One of the problems analysts face is they must base their forecasts in large part on what information they are given, and that may not be accurate or up to date.

> 'Brokerage analysts, as a group, are an optimistic breed.'

"Analysts talk to people at the top, and bad news travels up the corporate ladder very slowly," Mr. Pucci pointed out. "A good analyst is going to try to verify information he receives from the company from other sources. He may know about problems before management does." And he may not.

"Most financial analysts are making minor adjustments to what the companies tell them is going to happen," Mr. Johnson said. "You very seldom find analysts that are brave enough to make big departures from the company script."

When a company's trouble can no longer be hidden, "analysts have to make instantaneous changes," he said.

Mr. Pucci advised that investors do their own research. "If you walk by a factory and see them putting an extension on, go and talk to somebody who works there," he said. "You may know more than the analyst on Wall Street." He argued that investors who are not prepared to put in such an effort would do better to buy a fund and not an individual stock.

The best way to use analysts' estimates, he said, is "to find the people on opposite ends of the seesaw, run them through your mind and decide which makes the most sense."

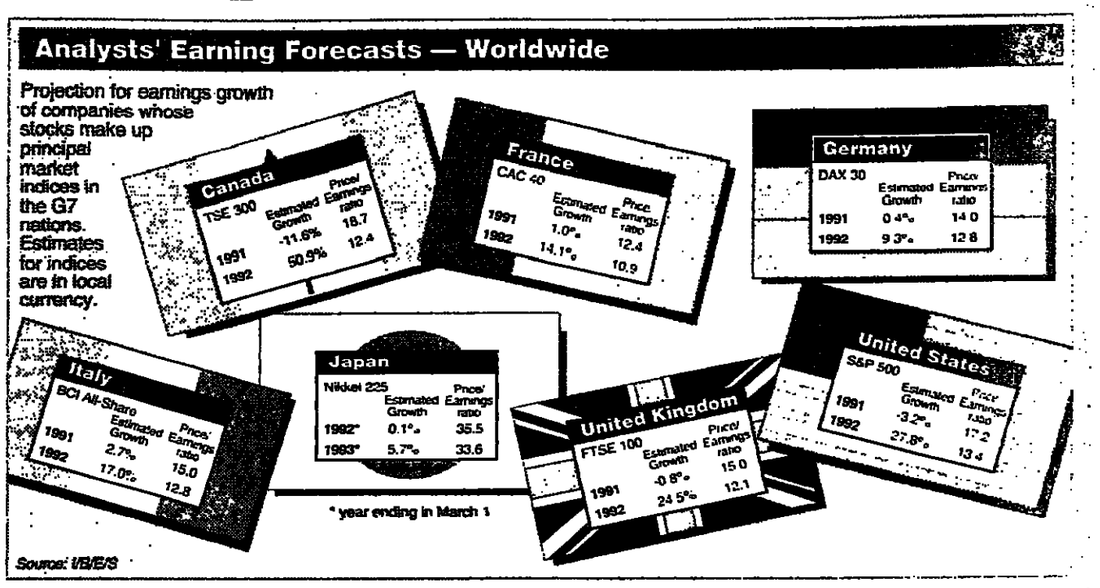
Mr. Brown urged against relying heavily on estimates: "In the U.S. there is a lot of emphasis put on numbers and forecasts. In Europe, because of the levels of disclosure, levels of information, the figures are not the be all and end all of everything."

He advised taking the long view, and Mr. Johnson agreed.

"You try to preserve some perspective," he said, "and try to realize that over much longer periods of time, the economy has been growing with stops and starts" and "stocks have been rising with stops and starts."

But he conceded that "it's a very-short-term-oriented investment community" and that analysts will continue trying to divine next year's earnings.

"Enormous resources are being wasted on all of this," he said. "We pay a lot of people a lot of money to do something that isn't all that valuable."



BRIEFCASE

Donoghue's Offers Help In Choosing Money Funds

Donoghue's, a group that gathers U.S. money market fund data, has brought out a free report to help individual investors chose the fund most appropriate to their needs.

The Top Money Funds report lists the best 10 performers, both taxable and tax-exempt, in five categories — highest-yielding; highest-yielding with check writing privileges; funds that accept small investments (such as for children); top-yielding funds in a no-load or low-load family, where investors can switch to other fund categories; and highest-yielding funds specializing in U.S. government or agency instruments.

Even though their average compounded 30-day return fell to a four-year low of 5.48 percent last week, money funds continue to be enormously popular with U.S. investors. Assets as of the beginning of September stood at $538.3 billion, compared to $478.7 billion a year earlier.

For a complimentary copy of Top Money Funds, call 800-5445-5900 (within the United States), or write to MoneyLetter, Box 8008, Holliston, MA 07146.

Chicago Board Opts Out Of Some Dreary Contracts

The proliferation of option contracts on American stocks seems to be slowing. The Chicago Board Options Exchange, which had planned to introduce options on 33 stocks next month, said it would bring out only 21 new series.

The CBOE, the largest of five American exchanges that trade options, also said it would delist five series that have suffered from low trading volume.

The delistings, which follow the termination of eight series in May, are not the only sign that business is shrinking at the CBOE. Average daily volume was down 5.9 percent this year through August, compared with the like period last year, exchange officials said. Plans to lay off 8 percent of the staff were recently announced.

The pace of new listings has slowed considerably this year, to three a month through August from four a month for all of last year. Some of the newer series that are due to be delisted seem never to have had much potential to boost business. For instance, it's hard to imagine that options on Luby's Cafeterias Inc. would ever catch fire.

Charles Henry, CBOE president, conceded that "if you look at the listings that have been brought out in the last year or so, they have been low-volume." The delistings were made at the request of the exchange's member firms, which must bear the cost of maintaining markets in the low-volume series.

Mr. Henry said he isn't worried about the slowing in volume, which he said was a function of such transitory factors as volatility and volume in the underlying stock. "I think we're going to see a return of volume, but the question is when," he said.

Phone Janus Toll-Free From Almost Anywhere

Investors in Janus mutual funds can now phone toll free from 27 countries and territories — even Uruguay — to buy and sell fund shares, order prospectuses or check on the status of their accounts.

Operators are on duty from 7 A.M. to 6 P.M. mountain standard time (1400 to 0100 GMT) to handle requests from Janus's roughly 2,300 overseas shareholders; they can leave electronic messages the rest of the time, said Lisa Parker, the company's telecommunications manager.

The toll-free numbers from the countries where Janus shareholders are most likely to be include: Japan, 0031-11-2444; Britain, 0-800-89-4296; France, 05-90-19-96; Western Germany, 0130-81-65-14; Switzerland, 155-31-92; Australia, 0014-800-126-210, and Hong Kong, 800-7707.

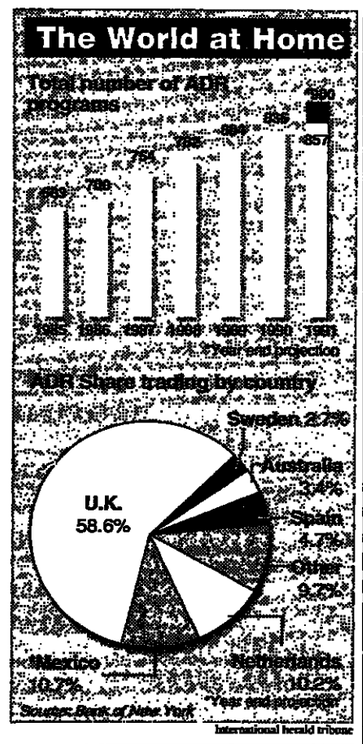
Janus's toll-free number in the United States is 1-800-525-3713. The number in Uruguay is 001-800-828-0796, but so far, Ms. Parker said, no one has called.

Foreign Stocks' Attraction Electrifies ADR Trading

The growing appetite of American investors for owning foreign stocks is evident in the numbers just released by the Bank of New York, the largest issuer of American Depositary Receipts. ADRs are surrogates for actual shares of companies based outside the United States, and are recognized by the Securities and Exchange Commission.

Trading volume in ADRs zoomed to a record of 2.6 billion for the first half of this year, a 37 percent increase over the like period in 1990. ADRs for British companies accounted for most volume at 56.8 percent. Runners-up at 10.7 percent were companies from Mexico, a hot emerging market.

ADRs are dollar-denominated, and trade like stocks on U.S. exchanges. More than 800 are now available, and they have gained in popularity with institutional and individual investors because they avoid high commission costs that come with buying foreign stocks directly.



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THE MONEY REPORT

Dirty Eastern Money for West's Laundries

By Susana Antunes

THE latest allegation of misbehavior on the part of the Soviet Communist Party involves the secreting of millions somewhere in the dark recesses of the Western banking system. The authorities in what used to be the Soviet Union are investigating: What are their chances of recovering the cash? Thanks to the tradition of banking confidentiality in the West, the short answer is "slim."

The lifting of the barriers between Eastern and Western Europe has opened up more opportunities for unlawful money dealing, or laundering — a problem acknowledged at the meeting of the Group of Seven industrial nations in London in July. "Political changes in Central and Eastern Europe and the opening of frontiers there have increased the threat of drug misuse and facilitated illicit trafficking," the economic communiqué said.

The BCCI scandal is a classic instance of drug-related financial abuse. Yet when a grand jury indicted the Bank of Credit & Commerce International for money laundering in Florida in 1988, it was the first time that a major international bank had been charged in America with criminal offenses for knowingly laundering drug money. With total assets in 1988 of $20 billion and 417 branches in 73 countries, BCCI was considered the seventh-biggest private bank in the world. In the event, the U.S. government offered BCCI a plea bargain and dropped drug-money laundering charges against the holding company. But as the bank's recent collapse attests, that was not the end of its troubles.

Selling illegal drugs is big business and laundering the proceeds an art form. One kilogram, or 2.2 pounds, of raw coca leaves is worth $1,400 in Latin America. By the time it is turned into refined cocaine, its value has grown to $100,000. Making the money appear to have come from a legitimate source can create a paper trail spanning dozens of countries, and a web of financial transactions that may be impossible to unravel.

The United Nations has estimated that between $120 billion and $500 billion is laundered each year in the industrial world — bigger than the volume of the oil trade.

Illegally obtained money is difficult to openly spend and invest: Drug cash often consists of large volumes of mixed denomination notes; the physical volume of notes can be far larger than the volume of the drugs themselves. Performing large transactions without arousing suspicion is the launderer's principal hurdle.

Different countries have different disclosure requirements, and the launderer seeks to exploit that by moving money between jurisdictions and covering up the audit trail. Terry Burke of the National Drugs Intelligence Unit in Britain said: "The big cases are so international in scale, and it can be very difficult to lift the veil of secrecy."

'Political changes in Central and Eastern Europe and the opening of frontiers there have increased the threat of drug misuse and facilitated illicit trafficking.'

Investigators have identified three main stages in the laundering process.

In the first stage, the money can be deposited in a legitimate premium life insurance policy. Or the cash can be used to buy art, jewelry, antiques or gambling chips.

The second stage is called "layering." The launderer wants to separate his illicit proceeds from their source so he enters into a large number of financial transactions designed to disguise the trail and provide anonymity.

Finally, there is "integration." If the layering has been successful, the launderer will bring the money back into the economy in such a way that it appears to be normal business funds. So, an art object will be sold, a life insurance policy redeemed, and so on.

In the case of BCCI, prosecutors alleged that one scheme it operated was to collect cash in various American cities, which was deposited. The money was then transferred by wire to BCCI accounts abroad and used to buy certificates of deposit that acted as collateral for BCCI "loans" to the drug traffickers, supplying them with "clean" money.

Another money laundering investigation in the United States and Britain, code-named Operation Cougar, has so far identified $318 million of "dirty" money. The laundering operation spanned the Isle of Man, the British Virgin Islands and the U.S. mainland, and involved seven drug dealing organizations. At the center of each organization was a lawyer who coordinated the movement of money between offshore bank accounts, shelf companies and nominee directors.

One trick was to use the organizations' offshore companies to mortgage property. On the face of it, the paper trail was legitimate — the mortgage was bona fide, and interest payments were met. But as the financial layers were peeled back, the illicit origin of the money became apparent. So far, Operation Cougar has resulted in the imprisonment of 40 people.

One method that has come to the attention of the authorities more recently is the launderers' use of *Hawala* banks — family-run businesses offering money transmission services. Interpol became sufficiently worried to mount a two-day conference on the subject earlier this year. Hawala originates in Asia and is basically a system of letters of credit, providing a legitimate channel for the movement of money from one area to another, safely and securely. With the spread of Third World immigration it has become common across Europe. But its very secrecy has made it a target for drugs dealers as a way to move their money around.

National laws that make money laundering a crime have already been introduced in countries including the United States, Britain, France, Italy and Luxembourg, and international cooperation among law enforcement agencies has intensified. But as detection becomes more sophisticated, so does the money launderer.

A variety of initiatives to combat drug trafficking and money laundering have been launched. In December 1988, the worldwide banking community adopted what it called the Basel Statement of Principles, in an effort to prevent launderers from using the financial system. The G-7 group of industrial nations has established a financial task force to coordinate their efforts, and in June the European Community approved a directive on money laundering. It aims to make customer identification and the retention of customer records mandatory. Member states are required to implement the directive by Jan. 1, 1993.

All these initiatives are predicated on the principle that the best way to fight drug traffickers and money launderers is to close off their avenues of operation: Financial institutions should know their customers and be alert to any suspicious transactions. From the institutions' point of view, it is in their interest to maintain public confidence in the integrity of the financial system and avoid association with criminals.

The Basel statement, which has formed a basis for guidelines and legislation, sets out the following basic areas for action:

- **Customer identification** — Every effort should be made to discover the true identity of any new customer requesting a service.
- ***Compliance*** — All transactions should conform to high ethical standards and local laws and regulations. Institutions should cooperate with law enforcement authorities to the full extent permitted without breaking customer confidentiality.
- **Record keeping and systems** — Institutions should have specific procedures to keep internal records and have an effective means of checking.
- **Training** — Staff should be fully trained to recognize and report any suspicious transactions.

The EC system for combating money laundering will be based largely on suspicion.

Cracking down on money laundering is, by its very nature, extremely difficult. Insurance businesses in Britain recently received guidelines on the subject and were provided examples of what types of transactions should make them suspicious.

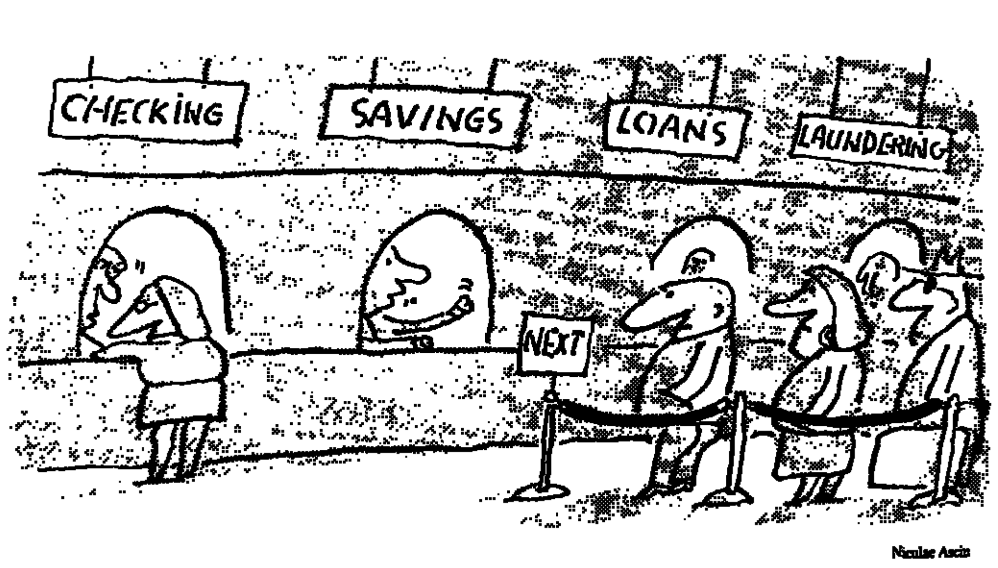
These examples included a sudden request for a significant purchase of a lump sum contract with an existing client whose current contracts are small and of regular payments; a proposal to purchase and settle in cash or with a check drawn from anything other than the personal account of the proposer; a prospective client who is more interested in the cancellation or surrender aspects of a contract than its investment performance, and so on.

In the United States, the authorities require all financial transactions of over $10,000 to be reported. Australia has a similar requirement. The U.S. authorities see around six million reports under this system every year. A recent report by the G-7's task force suggested that these programs were proving effective by creating extra risks for the launderers. For example, it said that "commissions" asked by money launderers amounted to 2-4 percent per deal in the early 1980s but commonly reach 6-8 percent now.

Experts outside the United States, however, are skeptical of the system's efficacy. Mr. Burke of the British drugs intelligence unit said: "It just creates a huge bureaucracy of reporting and the results don't justify the expenditure."

Such arguments persuaded the European Community not to go quite so far. The EC system will still be based largely on suspicion. According to the directive, money laundering is to be made a criminal offense in all member states. Banks and other institutions will be required to demand formal identification from all clients engaged in single transactions of more than 15,000 European currency units

Nicolae Asciu



Nicolae Asciu

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INTERNATIONAL FUNDS Sept. 13, 1991

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The marginal symbols indicate frequency of quotations supplied: d – daily; w – weekly; b – bi-monthly; r – regularly; t – twice weekly; m – monthly

ABACUS FUNDS
w Abacus Fund Ltd $ 4.26
b Abacus Guart.Fd. Mar 94 $ 8.93
b Abacus Guart.Fd. July 95 $ 9.54
ABC INVESTMENT & SERVICES CO (E.C.)
m ABC Futures Fund Ltd $ 100.91
ABN BANK 1.D.B, P.O. Box 669, Amsterdam
w ABN-Aandelenfunds Fl 81.60
w ABN-Beleggingsfds Ned. Fl 61.80
w Aldollar $ 24.60
w Alrenta Fl 185.20
w America-Fund $ 191.83
w Asian Tigers Fund $ 32.03
w Columbia Securities Fl 127.26
w LDC Risk Inv. Fund $ 1313.42
w Trans Europe Fund $ $ 42.63
w Trans Europe Fund Fl Fl 81.55
AIG FUND MANAGEMENT Ltd
d AIG Amer. Eq. Trust $ 26.5159
b AIG Japan Fund $ 99.9565
b AIG South East Asia Fd $ 104.2042
d High Life Fund Ecu 10.82
d UBZ Euro Optimizer Ecu 10.74
d UBZ Liquidity Fund $ $ 102.8543
d UBZ Liquidity Fund DM DM 103.6924
d UBZ Liquidity Fund Ecu Ecu 101.4071
d UBZ Liquidity Fund SF SF 103.7920
ALFRED BERG
d Alfred Berg Norden $ 141.69
Alfred Berg Sicav
d Global $ 133.38
d Germany $ 124.70
d Switzerland $ 93.27
d Netherlands $ 98.09
d North America $ 102.23
ALPHA ASSET MANAGEMENT Ltd
De Ruyterkade 62, Curacao NA 5999 617844
m Alpha Europe Fund Ecu 239.44
m Alpha Futures Fund Ltd $ 149.27
m Alpha Global Fund $ 666.67
m Alpha Hedge Fund $ 333.81
m Alpha Japan Spec. Hge Fd $ 251.93
m Alpha Neutral $ 108.49
m Alpha Pacific Fund Ltd $ 285.35
m Alpha Short Fund Ltd $ 96.65
m Alpha Spec. Situation Fd $ 319.47
m Alpha Tilldale Fund $ 129.26
m Curran-Alpha Hlth Care Fd $ 299.27
w Heisei Japan Fund Y 12933.00
w Nicholas-Applegate Aurelia $ 170.48
m Nicholas-Applegate Hge Fd $ 126.83
ARRAL ASSOCIATES Ltd
w Arral American Quant Fd $ 10.22
w Arral Asian Fund $ 151.90
w Arral Int'l Hedge Fund $ 106.82
BA GATEWAY FUND
w Germany Fixed Income DM 104.05
w Belgium Fixed Income BF 11111.00
w US Dollar Fixed Income $ 114.79
w Int'l Portfolio A $ 101.77
w Int'l Portfolio B Ecu 107.14
w Japan Equity Y 10009.00
w Pacific Equity $ 96.06
BANQUE BELGE ASSET MGMT FUND
Share Distributor Guernsey 0481 726414
w Int'l Equity Fund (Sicav) $ 10.85
w Int'l Bond Fund (Sicav) $ 12.56
w Dollar Zone Bd Fd (Sicav) $ 10.54
w Sterling Equity Fd (Sicav) £ 1.03
w Sterling Bd Fd (Sicav) £ 1.15
BANQUE DE GESTION E. DE ROTHSCHILD LUXEMBOURG S.A.
b Eagle Fund LF 9699.00
b Government Secur. Fd $ 65.91
w Hispano Int'l Fund Ecu 11.54
w Leicom $ 1967.56
b Opportunities $ 956.66
b Optigest Cursilor Gen. DM 151.34
b Optigest Fixed Inc. DM 128.92
b Prifirst $ 526.88
b Prirop Fund DM 43.74
w Rente Plus BF 4846.00
f Select. Horizon FF FF 67019.01
b Star Convert. Fd Fl Fl 11412.00
b Star Convert. Fd US$ $ 105.07
d The Europe Japan Fund $ 9.24
BANQUE INDOSUEZ
w The Dragon Fund Sicav $ 101.42
m Galaxy Futures Fund Ltd $ 103.75
m Dual Futures Fd Cl A Units $ 110.89
m Dual Futures Fd Cl B Units $ 111.28
m Dual Futures Fd Cl C Units $ 113.09
m Dual Futures Fd Cl D Units $ 107.22
m Maxima Fut. Fd Ser. 1 Cl. A $ 96.69
m Maxima Fut. Fd Ser. 1 Cl. B $ 99.36
w IPNA-3 $ 387.00
w Asian Growth Fund $ 33.37
w ISA Japan Reg. Gr. Fund Y 937.00
w Pacific Gold $ 11.25
w Asian Income Fund $ 8.80
w Himalayan Fund $ 10.98
w Manila Fund $ 8.06
w Malacca Fund $ 11.64
w The Siam Fund $ 21.43
d Indosuez Hong Kong Fund $ 20.945
w Oriental Venture Trust $ 41.980
w North American Fund $ 35.973
w Singap & Malay Trust $ 13.008
w Pacific Trust HK$ 28.440
w Tasman Fund $ 4.460
w Japan Fund $ 13.385
w Managed Trust $ 18.623
d Japan Warrant Fund $ 2.00
d Worldwide Growth Fund $ 9.73
BANQUE PRIVEE E. DE ROTHSCHILD
w Daiwa Capital Eq. Fund $ 916.96
w Daiwa LCF Rothschild $ 1048.27
w Ecu d'Or Ecu 78.46
b Pri-Tech $ 1103.99
b Source Sicav $ 12.80
BANQUE SCANDINAVE EN SUISSE-GENEVA
w Intelbond Chf SF 79.10
w Intelsec Chf SF 172.61
w Swissfund Chf SF 102.77
w Universal Eurosec Ecu Ecu 100.72
w Universal Finnsec Global FM 116.83
w Universal Intelbond $ A $ 16.05
w Universal Intelbond $ B $ 16.71
w Universal Intelbond FF A FF 108.08
w Universal Intelbond FF B FF 118.27
w Universal Intelsec $ A $ 14.36
w Universal Intelsec $ B $ 14.52
BEARBULL
w BB Forex Ltd $ 1081.39
w BB Futures Ltd $ 1032.94
w BB Global BEF BF 912.00
w BB Global Ltd CHF SF 9.11
w BB Global Ltd FRF FF 92.40
BNP INTERFUNDS
BNP LUXEMBOURG
w Interbond Fund $ 226.63
w Interbelgian BF 57716.00
w Interecu Fund A Ecu 285.17
w Interecu Fund B Ecu 1099.56
INTER CASH
f France Capital FF 13270.37
f France Monetaire FF 11960.31
f France Securite FF 74004.90
f Inter Cash DM DM 2232.77
f Inter Cash Ecu Ecu 1552.99
f Inter Cash FRF FF 16354.06
f Inter cash GBP £ 1226.24
f Inter Cash US$ $ 1145.47
f Inter Cash Yen Y 154553.00
INTER OPTIMUM
w BEF/LUF BF 80172.00
w Multidevises DM DM 2303.83
w US$ $ 1119.45
w FRF FF 11659.62
INTER STRATEGIE
w France FF 10163.65
w Europe du Nord £ 1077.31
w Europe du Centre DM 2107.91
w Europe du Sud Ecu 990.92
w Japon Y 129370.00
w Amerique du Nord $ 1158.01
w Sud-Est Asiatique $ 863.99
BNP JERSEY
INTER CURRENCY
w DM DM 35.6115
w GBP £ 14.8770
w US$ $ 12.5153
INTER EQUITY
w Australia Class $ 10.48
w European Class $ 9.77
w French Offer $ 16.98
w North American Offer $ 12.47
w Pacific Offer $ 16.78
BROADGATE INTERNATIONAL FUND
d $ Money Market $ 14.67
d Non-$ Money Market DM 32.54
d $ Bond $ 15.35
d Non-$ Bond DM 34.11
d European Equities $ 10.84
d Global Equity $ 17.74
d Global Bond $ 15.97
d Global Bond & Equity $ 15.63
d Pacific Equities $ 10.84
d Prec. Mets / Min. Secs $ 5.15
CAISSE CENTRALE DES BANQUES POP.
w Fructilux Actions Euro Ecu 1217.53
w Fructilux Actions Fses FF 7186.22
d Fructilux Court Terme FF 6881.55
d Fructilux Oblig. Euro Ecu 1253.32
d Fructilux Oblig. Fses FF 6777.03
CALLANDER
w Callander Emer. Growth $ 138.65
w Callander F-Asset $ 98.75
w Callander F-Austria AS 1401.66
w Callander F-Spanish Pta 8530.80
w Callander Swiss Growth SF 131.60
CAPITAL INTERNATIONAL
w Capital Int'l Fund $ 96.12
w Capital Italia SA $ 38.16
CDC INTERNATIONAL
w CFI Court Terme FF 141429.87
w CFI Long Terme FF 1247518.77
CIC GROUP
d Oblicic Court Terme FF 13677.91
d Oblicic Monetaire FF 13632.04
CITICORP INVESTMENT BANK (Lux)
POB 1373 Luxembourg Tel. 477 95 71
d Citinvest Guardian $ $ 1102.39
d Citinvest Guardian Euro Ecu 1182.35
d Citinvest Mngd Growth $ 1242.52
d Citinvest Mngd Grth Euro Ecu 1107.16
d Citinvest Selector $ 958.48
d Citicurrencies US$ $ 1497.90
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d Citiport N.A. Equity $ 199.42
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d Citiport IAPEC $ 144.01
d Citiport Cont. Euro. Equity Ecu 135.15
d Citiport Eamec $ 88.74
d Citiport German DM 81.82
d Citiport Swiss SF 90.36
d Citiport French Equity FF 1142.19
d Citiport N.A. $ Bond $ 133.40
d Citiport Euro Bond Ecu 120.50
d Citiport Pacific Bond Y 11808.00
CITITRUST
w US $ Equities $ 231.70208
w US $ Bonds $ 14.42001
w US $ Money Market $ 14.45420
w Citiland $ 986.79053
w Citiperformance Ptfl A $ 10.17775
w Citiperformance Ptfl B $ 10.97476
m The Good Earth Fund $ 13.22961
COMPASS INTL HOLDINGS Ltd.
POB 455, Jersey 0534 27267
w Bond: Dollar Med. Term $ 10.77 *
w Bond: Ecu Multicurr. Ecu 10.55 *
w Equity: United Kingdom £ 8.20 *
CREDIT AGRICOLE: MOSAIS
d Actions Int'l Diversifiees FF 109.09
d Actions Nord-Americaines $ 19.16
d Actions Japonaises Y 1941.85
d Actions Anglaises £ 12.66
d Actions Allemandes DM 33.33
d Actions Francaises FF 111.85
d Actions Esp. & Port. Pta 2467.38
d Actions Italiennes Lit 27682.48
d Actions Bassin Med. Ecu 17.54
d Actions Bassin Pacifique $ 15.24
d Actions Europeennes Ecu 16.09
d Actions Agro-Aliment. FF 111.75
d Actions Sect. Comm. FF 103.34
d Oblig Int'l Diversifiees FF 113.44
d Oblig Nord-Americaines $ 16.51
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d Oblig Anglaises £ 11.08
d Oblig Allemandes DM 32.05
d Oblig Francaises FF 116.83
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d Oblig Italiennes Lit 27214.41
d Oblig Europeennes Ecu 17.42
d Oblig Haut Rendement FF 17.47
d Oblig Int'l Div Sensib Red FF 112.88
d Oblig Convert. Intern. FF 113.86
d Court Terme Ecu Ecu 17.51
d Court Terme US$ $ 16.21
d Court Terme FF FF 114.92
CREDIT COMMERCIAL de FRANCE
w CM Actibonds $ 37.88
w CM Global Growth $ 9.86
w Elysees Monetaire FF 71778.49
d Europe Prest. Fund A Ecu 9.53
d Europe Prest. Fund B Ecu 11.57
CREDIT SUISSE
d CSF Bonds SF 75.835
d Bond Valor Swf SF 96.150
d Bond Valor US-Dollar $ 120.201
d Bond Valor D-Mark DM 105.406
d Bond Valor Yen Y 9766.794
d Bond Valor £ Sterling £ 102.522
d Convert Valor Swf SF 141.645
d Convert Valor US-Dollar $ 172.432
d CSF International SF 130.881
d Actions Suisses SF 552.057
d Europa-Valor SF 214.937
d Energie-Valor SF 141.489
d Canasec $ 314.223
d Ussec SF 732.344
d Pacific-Valor SF 134.611
d CS Gold Valor $ 107.050
d CS Tiger Fund $ 603.098
d CS Ecu Bond A Ecu 102.311
d CS Ecu Bond B Ecu 138.192
d CS Gulden Bond A Fl 96.253
d CS Gulden Bond B Fl 120.104
d CS Hispano Iberia Fd A Pta 23452.700
d CS Hispano Iberia Fd B Pta 24061.400
d CS Euro Finance Fd A DM 224.182
d CS Euro Finance Fd B DM 224.182
d CS Prime Bond A DM 91.458
d CS Prime Bond B DM 110.216
d CS Europa Bond A DM 251.275
d CS Europa Bond B DM 302.809
d CS Fixed I SF 7% 1/96 SF 105.160
d CS Fixed I DM 8% 1/96 DM 105.971
d CS Fixed I Ecu 8 3/4% 1/96 Ecu 107.136
d CS Euro Blue Chips A DM 246.939
d CS Euro Blue Chips B DM 251.288
d CS Short-T. Bond $ A $ 104.233
d CS Short-T. Bond $ B $ 136.892
d CS Short-T. Bond DM A DM 98.589
d CS Short-T. Bond DM B DM 123.681
d CS Money Market Fd $ $ 1638.935
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d CS Money Market Fd Yen Y 132033.870
d CS Money Market Fd C$ C$ 1117.100
d CS Money Market Fd Ecu Ecu 1110.063
d CS Oeko-Protec A DM 249.526
d CS North American Fd A/B $ 198.637
d CS UK Fund A/B £ 104.350
d CS France Fund A/B FF 1011.428
CSFB FUND MGMT Ltd (0481-713996)
PB122, St Peter Port, Guernsey
w Islamic Mgmt Fund Ltd $ 981.72
DIT INVESTMENT FFM
d Concentra + DM 45.57
d Int'l Rentenfond + DM 77.85
EBC TRUST CO. (Jersey) Ltd
1-3 Seale St, St Helier: 0534-36331
EBC AMRO TRADED CURRENCY FUND
d Capital $ 24.009
d Income $ 15.913
INTERNATIONAL INCOME FUND
d Long Term $ 35.3245
d Short Term B (Accum) $ 8.4942
d Short Term B (Distr) $ 8.3522
ECU FUTURES PLC (44 71 225 3811)
d Ecu Plc Omega Fund $ 1.23
d Ecu Plc Oil Fund $ 8.95
d Ecu Plc Royden Fund $ 1.13
EQUIFLEX LIMITED
w Europe A Fl 18.76
w North America A Fl 10.51
EURO PACIFIC ADVISERS Ltd
w Meteore Y 104236.00
w Pacific Horizon Invt. Fd $ 2860.95
FIDELITY INTL INV. SERVICES (Lux)
d Balanced Ptfl Hedged $ 11.62
d Balanced Ptfl Unhedged $ 11.47
d Conv. Securities Ptfl $ 8.54
d Discovery Fund $ 18.66
d Dollars Saving Trust $ 189.95
d Far East Fund $ 67.86
d Fid. Amer. Assets $ 158.82
m Fid. Amer. Values III Com $ 93.12
m Fid. Amer. Values IV $ 110970.00
d Fid. Australia Fund $ 16.85
d Frontier Fund $ 28.57
d Global Ind Fund $ 15.49
d Global Selection Fund $ 13.35
d International Fund $ 15.59
d New Europe Fund $ 9.19
d Orient Fund $ 104.56
d Pacific Fund $ 321.45
d Special Growth Fund $ 33.99
d World Fund $ 77.14
FOKUS BANK A.S. 472 428 555
w Scanfonds Int'l Growth Fd $ 1.50
GAIA CURRENCY FUNDS
w Gaia Hedge I $ 109.86
w Gaia Hedge II $ 242.25
w Gaia Hedge III $ 50.07
w Gaia Swiss Franc Fd SF 99.80
m Gaia Guaranteed Cl. I $ 74.33
m Gaia Guaranteed Cl. II $ 77.99
GAM ANLAGEFONDS AG.
POB 164, 8034 Zurich Tel: 41-1-2516440
d GAM (CH) Mondial SF 1313.00
d GAM (CH) Pacific SF 1950.00
d GAM (CH) America SF 1770.00
d GAM (CH) Europe SF 77.00
GAM TRADITION ANGLEFONDS AG.
d GAM Tradition SF 906.00
GARTMORE FUND MANAGERS INT.
45, La Motte Street, Jersey 0534 27301
CAPITAL STRATEGY FD Ltd
d American Fund $ 1.707
d Canadian Fund C$ 0.8808
d British Fund £ 2.682
d European Fund DM 3.392
d Eastern European Fd DM 4.074
d Asia Pacific Fund $ 2.115
d Japan Fund Y 574.7
d Australasian Fund £ 0.3436
d Global Resources Fund £ 0.7444
d Emerging Markets Fund £ 1.122
d International Growth £ 3.009
d Sterling Bond £ 1.078 *
d Ecu Bond Fund Ecu 0.9748
d International Bond £ 1.225
d Global Conv. Bond Fd $ 17.07
d US$ Deposit $ 1.026
d Sterling Deposit £ 1.005 *
d French Franc Deposit FF 10.45
d Swiss Franc Deposit SF 5.190
d DM Deposit DM 5.221
d Yen Deposit Y 518.6
d Austr. Dollar Deposit A$ 1.047
GARTMORE INDOSUEZ FUNDS 12/09/91
Tel: (352) 46 54 24 470
Fax: (352) 46 54 23
BOND PORTFOLIOS
d Deutsche Mark Bond DM 3.17
d Diverbond $ 2.57
d Dollar Bond $ 2.10
d European Bond Ecu 1.07
d French Franc Bond FF 10.19
d Global Bond $ 2.05
d Sterling Bond £ 1.00
EQUITY PORTFOLIOS
d Developing Markets $ 2.33
d Europe Ecu 1.10
d France FF 10.10
d Germany DM 4.75
d International $ 2.09
d Japan Y 266.00
d Natural Resources $ 2.08
d North America $ 2.30
d Pacific $ 2.28
d Singapore/Malaysia SG$ 5.17
d Switzerland SF 2.61
d United Kingdom £ 1.24
RESERVE FUNDS
d Deutsche Mark Reserve DM 5.21
d Dollar Reserve $ 2.05
d French Franc Reserve FF 10.44
d Sterling Reserve £ 1.87
d Yen Reserve Y 267.00
GEFINOR FUNDS
London: 071-4994171, Geneva: 41-22355530
w East Investment Fund $ 792.74
w Scottish World Fund £ 216.7892
w State St. American $ 293.67
GENERALE BANK
(See also Interselex Group)
d Rentinvest $ 28.48
d Capital Rentinvest $ 147.18
d Rentinbel Distribution LF 7716.00
d Rentinbel Capitalization LF 12315.00
GENESEE FUND Ltd
w (B) Genesee Short $ 75.86
w (C) Genesee Opportunity $ 118.64
w (E) Genesee Balanced $ 104.97
GLOBAL ASSET MANAGEMENT
11 Athol St.,Douglas,I.of Man 44-624-626037
w GAM Arbitrage Inc. $ 252.31
w GAM America Inc. $ 278.02
w GAM Australia Inc. $ 133.69
w GAM ASEAN Inc. $ 183.69
w GAM Boston Inc. $ 322.16
w GAM Selection Inc. $ 421.07
w GAM European Inc. $ 94.09
w GAM Europe Fund $ 79.91
w GAM Franc-Val Inc. SF 190.65
w GAM France Inc. FF 1586.04
w GAM Global Fund $ 107.42
w GAM High Yield Inc. $ 165.83
w GAM Hong Kong Inc. $ 251.78
w GAM International Inc. $ 135.48
w GAM Japan Inc. $ 634.58
w GAM North America Fund $ 120.15
w GAM Money Mkts $ $ 101.27
w GAM Money Mkts Fd £ £ 102.32
w GAM Money Mkts Fd SF SF 101.67
w GAM Money Mkts Fd DM DM 101.79
w GAM Money Mkts Fd Yen Y 10115.00
w GAM Mlti-Mar Fd Inc Allocs 113.96
w GAM Mlti-Mar Fd IncGenEqs 114.90
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w GAM Mlti-Mar Deferred Cl $ 111.54
w GAM Pacific Basin Fund $ 131.90
w GAM Pacific Inc. $ 565.98
w GAM Restr. Fund Inc $ 739.71
w GAM Singap-Malay Inc $ 245.29
w GAM Swiss Fr Spec Bd Fd SF 97.79
w GAM Value Inc. $ 98.60
w GAM Worldwide Inc. $ 413.31
w GAM Tyche S.A. Class A $ 245.75
w GAM Univ. Swiss Inc SF 708.78
w GAM Univ. D-Mark Acc DM 119.88
w GAM Univ. D-Mark Inc. DM 116.40
w GAM Univ. Dollar Acc $ 109.26
w GAM Univ. Dollar Inc $ 107.87
w GAM U.S. Inc. $ 282.93
w GAM Whitethorn Fund Inc $ 161.96
w GAM UT Inc $ 440.82
w GAM Bond Fd Inc. US Ord $ 128.29
w GAM Bond Fd Inc. US Spe $ 147.63
w GAM Bond Fd Inc. SF SF 82.56
w GAM Bond Fd Inc. Yen Y 12044.00
w GAM Bond Fd Inc. DM DM 94.04
w GAM Bond Fd Inc. £ £ 119.78
w GAM Sterling Spec. Bd Fd £ 116.08
w GSAM Composite Inc $ 250.07
GT MANAGEMENT PLC (44 71 283 44 40)
d G.T. ASEAN Fund $ 42.28
d G.T. Asia Fund $ 19.84
d G.T. Australia Fund $ 26.46
d G.T. Berry Japan Fund $ 27.89
d G.T. Biotech/Health Fd $ 19.21
d G.T. Bond Fund $ 17.23
d G.T. Deutschland Fund $ 11.87
d G.T. Dollar Fund $ 22.26
d G.T. Emerging Mkts Fd $ 11.91
w G.T. Euro Small Co Fd $ 31.62
d G.T. Europe Fund $ 32.01
w G.T. Global Small Co Fd $ 16.77
d G.T. Hong Kong Fund $ 34.70
d G.T. Honshu Pathfinder $ 11.39
d G.T. Investment Fund $ 15.54
w G.T. Japan OTC Stocks Fd $ 11.27
w G.T. Japan Small Co Fd $ 14.88
w G.T. Korea Fund $ 6.53
w G.T. Latin America Fd $ 13.71
w G.T. Newly Ind Countr Fd $ 28.95
r G.T. Technology Fund $ 43.38
d G.T. UK Small Companies £ 7.03
w G.T. US Small Companies $ 16.87
HILL SAMUEL INVEST. MGMT. INTL S.A.
Jersey, P.O. Box 63, Tel 0534 76029
Berne, P.O. Box 2622, Tel 4131 224051
d Crossbow (Far East) SF 15.15
d CSF (Balanced) SF 40.73
d European Equity Fund DM 18.52
d Int'l Bond Fund $ 13.27
d Int'l Currency US $ 27.98
d Int'l Currency US Mngd $ 29.91
d ITF Fd (Technology) $ 15.51
d O'seas Fd (N. America) $ 58.63
IAM, 2 Bd. Royal LUXEMBOURG
d IAM Flagship Fund Ecu 77.12
w IAM Bonds Fd-France A FF 657.02
w IAM Bonds Fd-Allem. B DM 228.87
w IAM Bonds Fd-Japon C Y 10969.00
w IAM Bonds Fd Div. I FF 506.33
w IAM Europe Luxe Ecu 88.88
w IAM Europe du Sud Ecu 85.09
INTERSELEX GROUP
d Int. America Sicav $ 18.46
d Int. Belga Sicav BF 2756.00
d Int. Europa Sicav LF 6395.00
d Int. Pacific Sicav $ 95.22
d Int. World Distr. Sicav $ 95.08
INVESCO MIM INT'L, POB 271, Jersey
Tel: 44 534 73114
d Income Plus Fund $ 2.5050
d Maximum Income Fund £ 1.0180 *
d Dollar Mngd Curr $ 14.9200
d Dollar Mngd Ptfl $ 2.2110
d Sterling Mngd Ptfl £ 1.7170
d Pioneer Markets £ 3.1750
d UK Growth £ 1.2170
d Gold & Prec. Metals £ 0.8080
d Sterling Mngd Curr £ 17.8500
d Japan Dollar Perf. Fund $ 2.9000
d Jersey Gilt £ 0.1840 *
d Okasan Global Strat $ 17.2200
d Asia Super Growth Fund $ 12.6900
d Nippon Warrant Fund $ 6.3500
d Asia Tiger Warrant $ 1.5400
d European Warrant $ 2.2680
d Gtd. N.W. 1994 $ 8.2000
PREMIER SELECT FUNDS
d American Growth $ 5.0300
d American Enterprise $ 6.8400
d Asia Tiger Growth $ 5.3100
d Dollar Reserve $ 5.0900
d European Growth $ 4.7300
d European Enterprise $ 5.7200
d Global Emerging Markets $ 5.4500
d Global Growth $ 4.8000
d Nippon Enterprise $ 6.1400
d Nippon Growth $ 4.6100
d North American Warrant $ 5.9500
ITALFORTUNE INTL. FUNDS
w Class A (Aggr. Growth Ital.) $ 44.54
w Class B (Global Equity) $ 10.61
w Class C (Global Bond) $ 10.93
w Class D (Ecu Bond) Ecu 10.44
JARDINE FLEMING, GPO Box 11448 Hg Kg
d JF ASEAN Trust $ 28.81
d JF Far East Wrnt Tr. $ 18.39
d JF Gbl Conv. Tr. $ 11.24
d JF Hong Kong Trust $ 94.14
d JF Japan Sm. Co Tr. Y 58328.00
d JF Japan Trust Y 16382.00
d JF Malaysia Trust $ 8.48
d JF Pacific Inc. Tr. $ 81.76
d JF Thailand Trust $ 11.25
JOHN GOVETT MANT (I.O.M.) LTD
Tel: 44-624-62 94 20
w Govett Man. Futures £ 12.94
w Govett $ Gear. Curr $ 14.00
JULIUS BAER GROUP
d Baerbond SF 925.00
d Conbar SF 1471.00
d D-Mark Baer Bond Fund DM 985.00
d Dollar Baer Bond Fund $ 1154.00
d Emerging Europe Fund DM 110.70
d Equibaer America $ 2817.00
d Equibaer Europe SF 1536.00
d Europe Bond Fund Ecu 114.00
d Liquibaer $ 2257.00
d Multiadvisor Forex Fd $ 9342.00
d SFR-BAER SF 1005.00
d Stockbar SF 2056.00
d Swissbar SF 2130.00
KIDDER, PEABODY
b Chesapeake Fund Ltd $ 1515.52
b Int'l Guaranteed Fund $ 1045.35
b Stonehenge Ltd $ 1252.74
b The Gbl Asset Alloc Fd Ltd $ 898.29
b The Krieger Curr. Fd Ltd $ 938.00
KLEINWORT BENSON SELECT FUND
d British Fund Ecu 2.16
d Emerging Asia Fund Ecu 1.70
d European Fund Ecu 1.84
d International Ecu 1.76
d Japanese Fund Ecu 1.63
d Korsalila World Fund FM 11.24
d North American Fund Ecu 2.24
d Pacific Fund Ecu 1.69
d Sicav Dollar Bond $ 1.89
d Sicav Intnl Bond Ecu 1.95
d Sicav Sterling Bond £ 1.91
LATIN AMERICAN MANAGEMENT Co Ltd
Tel: London 071 628 1234
w Argentinian Invest Co Sicav $ 25.38
w Brazilian Invest Co Sicav $ 20.86
w Mexican Invest Co Sicav $ 24.51
LIPPO ASIA LIMITED
w Java Fund $ 5.99
LLOYDS BANK PLC, POB 438, Geneva 11
Deals 41-22-3073280/Inquir. 41-22-3073210
w Lloyds Int'l Dollar + $ 115.20
w Lloyds Int'l Europe + SF 191.30
w Lloyds Int'l Growth + SF 272.00
w Lloyds Int'l Income + SF 278.00
w Lloyds Int'l N. America + $ 192.40
w Lloyds Int'l Pacific + SF 148.80
MAGNUM FUTURES FUND Ltd
m Deutschemark Class DM 16.98
m Sterling Class £ 4.75
m US Dollar Class $ 7.77
MALABAR CAP MGMT (Bermuda) Ltd
m Malabar Int'l Fund $ 11.95
MAN INTERNATIONAL FUTURES
m Mint Limited - Ordinary $ 42.88
m Mint Limited - Income $ 14.20
m Mint Gtd Ltd - Spec Issue $ 22.92
m Mint Gtd Ltd - Nov 1993 $ 20.73
m Mint Gtd Ltd - Jan 1994 $ 16.83
m Mint Gtd Ltd - Dec 1994 $ 14.94
m Mint Gtd Ltd - Aug 1995 $ 12.23
m Fbme Mint Gtd Plc $ 113.16
m Mint Sp Res Ltd (BNP) $ 109.95
m Newcastle Guaranteed Ltd $ 11.79
m Alubaf Mint Gtd. Fund Ltd $ 110.02
m Athena Diversified Fut $ 9.46
m Athena Guaranteed Fut. $ 9.31
d Athena Guaranteed Curr. $ 9.46
MERRILL LYNCH
d Dollar Assets Portfolio $ 1.00
d Iberia Portfolio $ 10.85
d Multi-Curr. Bond Ptfl Cl A $ 17.83
d Multi-Curr. Bond Ptfl Cl B $ 17.77
d USA Income Portfolio $ 9.26
d US Federal Securities Fd
d Category A $ 9.72
d Category B $ 10.23
d World Nat Res Ptfl Sh A $ 11.20
d World Nat Res Ptfl Sh B $ 11.02
MERRILL LYNCH MLT NAT'L INV PFL
GLOBAL CURRENCY BOND SERIES
d Australian Dollar Ptfl
d Category A A$ 14.25
d Category B A$ 14.31
d Canadian Dollar Ptfl
d Category A C$ 11.56
d Category B C$ 11.57
d Deutsche Mark Ptfl
d Category A DM 10.72
d Category B DM 10.73
d Pound Sterling Ptfl
d Category A £ 12.35
d Category B £ 12.35
d US Dollar Ptfl
d Category A $ 11.99
d Category B $ 12.05
d Yen Portfolio
d Category A Y 1077.00
d Category B Y 1078.00
MERRILL LYNCH MLT NAT'L INV PFL
EQUITY CONVERTIBLE SERIES
BASIC VALUE PORTFOLIO
d Class A $ 11.07
d Class B $ 10.89
CONVERTIBLE SECURITIES PTFL
d Class A $ 11.64
d Class B $ 11.53
GLOBAL EQUITY PORTFOLIO
d Class A $ 9.31
d Class B $ 9.04
EURO EQUITY PORTFOLIO
d Class A $ 10.68
d Class B $ 10.57
MULTIMANAGER N.V.
w American Growth Fd $ 10.68
w European Curr. Bond Fd Ecu 10.54
w European Growth Fd Ecu 11.03
m Futures Fd $ 9.84
w Japanese Growth Fd Y 985.00
w Forex Fund $ 9.55
m Emerging Markets Fd $ 13.75
NIMARBEN
w Class A $ 220.93
NMB BANK, PO 1800, 1000 BV Amsterdam
w NMB Dutch Fund Fl 42.60
d NMB Euromix Growth Fd LF 2342.00
d NMB Real Estate Fund Fl 37.40
w The Brazil Fund $ 1.4752
NOMURA INTL. (HONG KONG) Ltd
d Nomura Jakarta Fund $ 7.10
NOMURA INVEST BANKING (M.E) E.C.
d Nomura Gulf Fund $ 8.27
OBLIFLEX LIMITED
w Multicurrency $ 25.68
w Dollar medium Term $ 19.65
w Dollar Long Term $ 16.66
w Japanese Yen Y 3857.00
w Pound Sterling £ 19.78
w Deutsche Mark DM 13.86
w Dutch Florin Fl 14.08
w HY Euro Currencies Ecu 72.06
w Swiss Franc SF 10.99
w US Dollar Short Term $ 11.33
w HY Euro Curr Divid Pay Ecu 10.57
w Swiss Multicurrency SF 13.30
w European Currency Ecu 16.94
w Belgian Franc BF 104.37
w Convertible $ 11.70
w French Franc FF 119.04
w Swiss Multi-Dividend SF 9.20
w Canadian Dollar C$ 10.53
w Dutch Florin Multi Fl 12.16
w Swiss Franc Divid Pay SF 10.25
OLYMPIA Capital Intl. BVI
c/o OCM, 11 Av. Friedland 75008 PARIS
Tel: 33-1-49539038 Fax: 33-1-42567009
w Finsbury Group $ 154.72
w Olympia Securite SF SF 146.10
w Olympia Securite US$ $ 97.24
w Winch. Capital $ 102.19
w Winch. Frontier $ 266.86
w Winch. Fut. Olympia Star $ 103.07 *
w Winch. Hldg Int'l Madison Ecu 1186.58
w Winch. Hldg Int'l Ser D Ecu 1291.85
w Winch. Hldg Int'l Ser F Ecu 1299.17
w Winch. Hldg US$ $ 16.71
w Winch. Reser. Multi. Gvbd $ 14.86
OPTIMA FUND MANAGEMENT
6 Front St, Hamilton,Bermuda (809 295-4000)
w Optima Fund $ 13.84
w Optima Futures Fund $ 9.96
w Optima Short Fund $ 9.64
PARIBAS-GROUP
d Cortexa International $ 778.50
d Europhenix Ecu 191.95
d Luxor $ 7.74
d Par US Treas. Bond Cl B $ 148.83
d Parinter Bond Fund $ 15.07
d Parinter Fund $ 221.35
w Parvest Obli-DM A DM 1207.98
w Parvest Obli-DM B DM 1447.36
w Parvest Obli-Dollar A $ 1149.95
w Parvest Obli-Dollar B $ 1480.08
d Parvest Obli-Franc A FF 1409.49
d Parvest Obli-Franc B FF 1527.66
w Parvest Obli-Gulden A Fl 964.57
w Parvest Obli-Gulden B Fl 1214.12
d Parvest Obli-Sterling £ 119.81
w Parvest Obli-Yen A Y 105777.00
w Parvest Obli-Yen B Y 128586.00
PERMAL GROUP
b Drakkar Growth $ 2276.31
b EuroMir (Ecu) Ltd Ecu 1276.27
b Media Ltd $ 899.74
b Nosci Ltd $ 1651.45
w Usdyke Ltd $ 278.92
b Value N.V. $ 2143.88
PICTET & CIE - GROUP
b Eur. Opportunity (Lux) Ecu 185.30
b Euroval (Lux) Ecu 171.03
b Global Value (Lux) Quant. Ecu 124.67
m Intl Small Cap (IOM) $ 307.20
d Pictet Valsuisse (CH) SF 433.00
PIERSON, HELDRING & PIERSON N.V.
Rokin 55, 1012kk, Amsterdam (20-5211188)
w Asia Pac. Growth Fd N.V. $ 29.18
w Asian Selection Fd N.V. Fl 54.54
w DP Amer. Growth Fd N.V. $ 33.56
w Environment Growth Fund Fl 53.47
w Eur. Growth Fund N.V. Fl 61.27
w Japan Diversified Fund $ 43.05
w Leveraged Cap Hold $ 413.50
w Tokyo Pac. Hold. N.V. $ 213.34
PRISM ASSET MANAGEMENT
(212) 332-1032 advisor to:
d Prism Fut. Fd (EFF) $ 380.45
d Consueror $ 89.35
d PTJ $ 123.22
d Apex Fund Ltd $ 104.25
d Rainbow $ 121.42
d Emerald Futures Ltd $ 98.17
d Harmonic Futures Ltd $ 95.98
PUTNAM
d Emerging Hlth Sc. Trust $ 31.90
w Putnam Em. Info. Sc. Trust $ 18.97
d Putnam Glob. High Growth $ 13.70
d Putnam High Inc. GNMA Fd $ 9.06
d Putnam Int'l Fund $ 12.16
PYRFORD, SWITZ (022) 25 17 25
w Pyrford Australian A$ 108.50
w Pyrford Int'l SF 103.75
ROBECO GROUP
POB 973, Rotterdam (10-4659711)
d Robeco Fl 99.90
d Rolinco Fl 99.80
d Rorento Fl 68.20
d Rodamco Fl 52.70
d RG America Fund Fl 108.80
d RG Europe Fund Fl 100.10
d RG Pacific Fund Fl 99.00
ROTHSCHILD AST. MGT.
w Tokyo Pacific Hldgs (Sea) $ 155.67
ROYAL B. CANADA, POB 246 GUERNSEY
w RBC British Fund Ltd + £ 5.321
w RBC Canadian Fd Ltd + C$ 13.78
w RBC European Fund + $ 12.00
w RBC Far East & Pac. Fd + $ 37.63
w RBC Int'l Bond Fund Ltd + $ 13.68
w RBC Int'l Capital Fund + $ 3.21
w RBC Mixed Currency Fd + $ 43.70
w RBC North America Fd + $ 15.94
SAFRA REPUBLIC HOLDING
w Republic (Gsey) $ Inc Fd $ 10.04
w Republic GAM Fund $ 106.87
w Republic GAM Growth $ 100.64
SKANDIFOND
SKANDINAVISKA ENSKILDA BANKEN
w Equity Int'l Acc $ 13.92
w Equity Int'l Inc $ 12.01
w Equity Global $ 1.31
w Equity For East $ 2.18
w Equity Gold $ 0.67
w Equity Japan Y 116.00
w Equity Nordic $ 1.42
w Equity U.K. £ 1.34
w Equity Continental Europe $ 1.29
w Equity Mediterranean $ 0.99
w Equity North America $ 1.55
w Bond Int'l Acc $ 9.95
w Bond Int'l Inc $ 7.12
w High Income Acc $ 1.38
w High Income Inc $ 1.03
w Bond Sweden SKr 12.90
w Bond DEM DM 1.02
w Bond Dollar $ 1.16
w Multicurrency $ 1.38
w Enskilda Int'l Bond $ 105.77
SOCIETE GENERALE GROUP
d Asia Fund $ 386.74
d Btw Category A $ 15.23
d Btw Category B $ 33.08
SOGELUX FUND (SF)
w SF Bonds A U.S.A. $ 13.60
w SF Bonds B Germany DM 24.84
w SF Bonds C France FF 99.71
w SF Bonds D Switz. SF 27.36
w SF Bonds E G.B. £ 9.36
w SF Bonds F Japan Y 1784.00
w SF Bonds G Europe Ecu 13.94
w SF Bonds H World Wide $ 14.03
w SF Bonds J Belgium BF 644.00
w SF Eq. K North America $ 14.80
w SF Eq. L W. Europe Ecu 13.78
w SF Eq. M Pacific Basin Y 1415.00
w SF Eq. N France FF 70.00
w SF Eq. P Growth Countries $ 12.97
w SF Eq. Q Gold Mines $ 10.49
w SF Eq. R World Wide $ 13.32
w SF Short Term $ France FF 134.89
w SF Short Term T Eur. Ecu 13.26
SOGELUX INDEX FUND (SIF)
w S.I.F. France Capital FF 1042.76
w S.I.F. France Distrib FF 1042.76
w S.I.F. GB Capital £ 121.82
w S.I.F. GB Distrib £ 121.82
w S.I.F. Japan Capital Y 12447.00
w S.I.F. Japan Distrib Y 12447.00
w S.I.F. US Capital $ 176.09
w S.I.F. US Distrib $ 176.09
w S.I.F. World Capital $ 135.74
w S.I.F. World Distrib $ 135.74
SODITIC ASSET MANAGEMENT INC.
w SAM Diversified Inc $ 113.30
w SAM Strategy Inc $ 97.97
SVENSKA HANDELSBANKEN S.A.
146 Bd de la Petrusse, L-2330 Luxembourg
w Neptune Maritime Fund $ 7.99
b SHB Bond Fund $ 49.54
w Svenska Sel. Fd Amer Sh $ 13.03
w Svenska Sel. Fd Germany DM 9.21
d Svenska Sel. Fd Int'l Bd Sh $ 11.46
w Svenska Sel. Fd Int'l Sh $ 46.68
w Svenska Sel. Fd Japan Y 485.00
d Svenska Sel. Fd Nordic Sh $ 10.56
w Svenska Sel. Fd Pacif Sh $ 4.42
d Svenska Sel. Fd S/T Ass Sh $ 10.67
w Svenska Sel. Fd Swed Bds SKr 1065.95
SWISS BANK CORP. (Issue Prices)
d SBC 100 Index Fund SF 1138.00
d SBC Bond Portfolio - C$ C$ 101.67
d SBC Bond Portfolio - Ecu Ecu 101.30
d SBC Bond Portfolio - FF FF 504.87
d SBC DM Short A/B DM 1083.81
d SBC Euro Stock Ecu 164.00
d SBC Global Ecu Growth Ecu 1400.87
d SBC Global Ecu Yield Ecu 1080.80
d SBC Global SF Growth SF 999.54
d SBC Global SF Yield SF 1003.12
d SBC Global US$ Growth $ 1008.46
d SBC Global US$ Yield $ 1080.54
d SBC MMF - £ £ 2334.26
d SBC MMF - C$ C$ 4063.51
d SBC MMF - DFl Fl 4099.53
d SBC MMF - Ecu Ecu 3832.47
d SBC MMF - FF FF 20324.03
d SBC MMF - Lit Lit 4079696.00
d SBC MMF - SF SF 5072.98
d SBC MMF - US - Dollar $ 6636.43
d SBC MMF - Yen Y 546394.00
d SBC Sfr Bond A SF 1017.27
d SBC Sfr Bond B SF 1126.37
d America Valor $ 306.75
d Anglo Valor £ 280.55
d Asia Portfolio SF 534.69
d Convert Bond Selection SF 96.75
d D-Mark Bond Selection DM 108.81
d Dollar Bond Selection $ 139.93
d Ecu Bond Selection Ecu 102.31
d Florin Bond Selection Fl 114.01
d France Valor FF 1760.72
d Germania Valor DM 457.36
d Gold Portfolio SF 308.12
d Iberia Valor Pta 47625.00
d Ital Valor Lit 365145.00
d Japan Valor Y 28463.00
d Sterling Bond Selection £ 110.55
d Sw. Foreign Bond Selection SF 102.29
d Swissvalor SF 346.50
d Universal Bond Selection SF 78.50
d Universal Fund SF 108.84
d Yen Bond Selection Y 11007.00
T. ROWE PRICE ASSOCIATES INC.
m T. Rowe Price Frontier Ltd $ 8.76
TEMPLETON W.WIDE INVESTMENTS
GROWTH PORTFOLIO
d Class A-1 $ 9.77
d Class A-2 $ 10.97
d Class A-3 $ 18.33
d Class B-1 $ 9.58
d Class B-2 $ 10.78
INCOME PORTFOLIO
d Class A $ 10.53
d Class B $ 10.47
TERMINVEST Tel: 48.70.92.89
m Dual Futures Fd Cl D Units $ 107.06
m Galaxy Futures Fund Ltd $ 108.56
THORNTON MANAGEMENT Ltd
d Pacif Invt Fd SA £ £ 9.10
d Pacif Invt Fd SA DM DM 24.61
d Pacif Invt Wrnt Fd SA £ £ 4.10
d Pacif Invt Wrnt Fd SA DM DM 11.99
d Eastern Crusader Fund $ 7.85
d Thornton Int'l Opp. Fd $ 1.82
d Thornton HK Gateway Fd $ 17.36
d Thornton Japan Fund Ltd $ 25.55
d Thor. Lttl Dragons Fd Ltd $ 20.20
d Thornton Orient Inc Fd Ltd $ 21.74
d Thornton Phil. Redev. Fd $ 18.30
d Thornton Tiger Fd Ltd $ 29.50
NEW TIGER SEL. FUND
d Thailand $ 8.03
d Malaysia $ 8.64
d Indonesia $ 5.89
THORNTON TAIWAN FUND
d Equity Income $ 10.17
d Equity Growth $ 10.47
d Liquidity $ 10.80
UEBERSEEBANK Zurich
d B - Fund SF 1013.99
w E - Fund SF 551.98
d J - Fund SF 357.89
d M - Distribution SF 98.35
d M - Fund SF 1077.30
d UBZ Euro-Income Fund SF 10.86
UNION BANK OF SWITZERLAND
d Amca American Shares SF 43.00
d Bond-Invest SF 62.50
d Brit-Invest Shares SF 838.00
d D-Mark-Invest Bonds DM 191.70
d Dollar-Invest Bonds $ 111.19
d ESPAC Spanish Shares SF 203.50
d Eurit SF 345.00
d Fonsa Swiss Shares SF 287.00
d Francit Shares SF 205.00
d Germac Shares SF 231.50
d Globinvest Shares SF 108.00
d Gold Invest Shares SF 176.00
d Holland-Invest Shares SF 246.50
d Itac Shares SF 192.50
d Japan-Invest Shares SF 1271.50
d Sima (Stock price) SF 221.00
d Skandinavien-Invest SF 249.00
d UBS Money Mkt Invest £ 1057.56
d Yen-Invest Bonds Y 80319.00
UNIVERSAL GROUP OF FUNDS
d Universal Cdn. Equity C$ 9.81
d Universal Pacific C$ 8.75
d Universal American C$ 7.19
d Universal Cdn. Ressource C$ 4.14
d Universal Global C$ 6.82
d Canada Guar. Mortgage Fd C$ 15.29

Other Funds
r Actlcroissance FF 498.88
d Actifinance Int'l $ 1011.20
w Actifutures Ltd $ 963.09
w Actigestion FF 1175.25
w Activest Int'l FF 28.08
m Advanced Strategies $ 105.95
w Aquila International Fund $ 246.19
b Arlane FF 4190.74
d Asia Oceania Fund $ 9.31
m Associated Investors Inc $ 801.22
b Atlantic Fund $ 77.74
r Australia Fund $ 18.41 *
w Balfour Maclaine Series 1 $ 914.87
w BDD Inv. Fund-Ecu Bd Ecu 5745.72
w BEM International $ 6.75
w Bondselex-Issue Pr. SF 786.75
m Cai Futures 1996 Fd Ltd $ 25.29
d CB German Index Fund DM 122.85
w CMI Investment Fund $ 1373.00
d Colbert Croissance FF 74.64
d Colbert Finances FF 121032.75
. Colbert Tresor FF 7241.67
w Convert. Fd Int'l A Certs $ 17.66
w Convert. Fd Int'l B Certs $ 61.21
w Cowen Enterprise Fd N.V. $ 1032.45
w Cumber Int'l N.V. $ 267.53
d D. Witter Wld Wide Ivt Tst $ 25.78
w D.G.C. $ 222.93
w Daiwa Japan Fund Y 6982.00
d Dreyfus America Fund $ 20.95
w Dumenil Amerique $ 1035.87
w Dumenil Asie Pacifique $ 1035.87
w Dumenil Bonds Plus $ 1030.05
w Dumenil Europe Ecu 1071.59
w Dumenil France FF 6410.73
w Dumenil Opportunit $ 1035.87
m Dumenil Arbitrage Fd NV $ 772.34
w Egs Overseas Fund Ltd $ 1280.00
d Emi Belg. Ind. Plus A BF 8540.00
d Emi Belg. Ind. Plus B BF 8540.00
d Emi France Ind. Plus A FF 881.44
d Emi France Ind. Plus B FF 881.44
d Emi Germ. Ind. Plus A DM 88.77
d Emi Germ. Ind. Plus B DM 88.77
d Emi Spain Ind. Plus A Pta 9977.00
d Emi Spain Ind. Plus B Pta 9977.00
d Emi UK Index Plus A £ 107.49
d Emi UK Index Plus B £ 107.49
m Enigma Currency Fd $ 18.98
w Espir. Sto Inv M Ecu Bd Fd Ecu 108.18
w Espir. Sto Inv M Sth Eur Fd $ 9.47
w Esprit Sicav Ecu 1223.76
d Eurasud FF 1017.38
d Europa 1992 $ 9.96
d Europe Obligations Ecu 82.38
w F.I.T. Fund FF FF 124.51
w F.M.P. Portfolio $ 0.5379
w Fairfield Int'l Ltd $ 170.20
w Fairfield Sentry Ltd $ 221.95
w Fairfield Strat. Ltd $ 64.98
m Fatum Fund $ 745.86
w First Eagle Fund $ 40162.14
w First Ecu Ltd Ecu 90.14
m First Frontier Funds $ 66.29
w FL Trust Switzerland SF 96.28
d Fonditalia $ 79.43
d Fonselex Issue Pr. SF 153.40
d Force Cash DM Sicav DM 5382.98
d Force Cash Ecu Sicav Ecu 2748.30
d Formafund Limited $ 8.65
w Formula Selection Fd SF 65.97
d Frankf-Trust Effekten Fd DM 161.10
d Frankf-Trust Interzins DM 48.86
m Gems Progressive Fd Ltd $ 1118.06
w George-V Inv. Bond F $ 22.15
m German Sel. Associates DM 1759.75
d Green Line France FF 669.25
m Guaranteed Capital Imm 94 LF 598444.00
w Hasenbichler Com AG $ 1348.00
w Haussmann Hldgs. N.V. $ 393.86
d Hentsch T.F. SF 10455.00
w Hestia Fund $ 161.62
w Horizon Fund FF 10867.47
w Ibex Holdings Ltd SF 194.83
w IFDC Japan Fund Y 26505.00
r ILA-IGB $ 1.53
r ILA-IGS $ 9.94
w Infinity Fund $ 146.1563
r Int'l Securities Fund Ecu 27.33
m Interface Fund Ltd $ 159.24
d Interfund SA $ 43.54
w Intermarket Fund $ 498.16
w Intersec-KBL $ 3758.77
d Investa DWS DM 74.98
d Investmentor Fund $ 184.61
m J Capel Guaranteed Fund $ 9.95
w Japan Pacific Fund $ 202.91
m Japan Selection Asset Y 8492.00
w Japan Selection Fund $ 233.52
d JJ Placement FF 13191.87
w JWH Worldwide Fund $ 9.80
d Kenmar Guaranteed $ 9.22
w Kenmar Int'l - B $ 10301.00
d Kenmar L/C $ 7.03
m Key Hedge Fund Inc $ 114.94
d KML-II H. Yield $ 614.40
w Korea Growth Trust $ 22.31
w LACO International $ 5.73
w Leumi Val. Francaises FF 1029.74
m London Portfolio Services $ 9.82
w Luxfund $ 104.53
m Lynx Sel. Holdings SF 123.58
w M I Multi-strategy $ 1004.29
w M.Kinoden Offshore, N.V. $ 9.41
m Maritime Fund Int'l Ltd $ 734.69
w Mat Growth ESCF DM 19.52
w Mat Growth USCF $ 12.84
w Matterhorn Offshore Fd $ 9579.29
m Maverick Limited $ 252042.93
w MBE Japan Fund LF 2070.06
m MCM Int. Limited $ 164.91
d Mediolanum Selective Fd $ 34.34
w Moore Global Invts. Ltd $ 2168.41
d NCA Fund $ 10.37
d New Millennium Fut. Ltd $ 904.87
w Nippon Fund $ 189.86
d NM Inc. & Growth Fund $ 17.81
m NMT Asian Sel. Portfolio $ 189.37
w NMT Citadel Bond SF 121.13
m NMT Nostec Portfolio $ 145.86
d Nomura-Cap Int'l Eq Fd $ 14.25
w Novaeurope - KBL Ecu 2872.73
m NSM Invest. Ltd. Sensa SH $ 10.22
m NSM Invest. Ltd. Tetryx SH SF 18.87
m NSP F.I.T. Ltd $ 10.73
m Oppenheimer U.S. Arb. $ 136.19
w Optimum Fund $ 1452.16
m Overlook Performance $ 1486.37
d Pacific Nles Fund $ 6.45
d PAM Futures Trad $ 340.88
m Pan European Futures Ltd $ 4653.75
m PAN International Ltd $ 103.98
w Pancurri Inc $ 143.95
m Paragon Fund Limited $ 10.25
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w Quasar Fund N.V. $ 117.36
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d SAGA France FF 454.20
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w Sailor's Int'l Equity Ecu 1016.17
w Sailor's Int'l Fixed Ecu 1034.85
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w Tweedy Browne n.v. Cl A $ 2843.08
w Tweedy Browne n.v. Cl B $ 1750.08
d Uni Bond Fund Ecu 1765.42
r Uni Capital Fund Ecu 1248.86
d Unico Equity Fund DM 62.18
d Unico Inv. Fund DM 72.11
m Unitrad FF FF 11518.77
m Unitrad SF SF 1130.96
m Unitrad US$ $ 1108.86
d Univers Bonds DM 149.43
w Ursus Int'l Ltd $ 7751.08
w Vanderbilt Assets $ 16.89
m Victor Futures Fund $ 199.78
w Wilier Asian Fund $ 10.42
w Wilierbond Capital $ 15.13
d Win Global Fd Bd Ptfl Ecu 108.01
d Win Global Fd Eq Ptfl Ecu 106.91
d Win Global Fd Res. Ptfl SF 208.77
d World Balanced Fund S.A. $ 12.31
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Swedes' Disaffection With 'Big Brother' Could End Social Democrats' Long Rule

By Steven Prokesch
New York Times Service

STOCKHOLM — An election poster featuring the face of Prime Minister Ingvar Carlsson hangs throughout Sweden.

"The conviction all men are equal drives me forward," he declares.

The problem for Mr. Carlsson is that most Swedes seem to think the Social Democrats who have led Sweden since 1982 — and for 53 of the last 59 years — have gone too far in trying to create what is one of the most egalitarian societies in the Western world. Fed up with years of stagflation and a decline in the quality of public social services, voters look set to throw out the Social Democrats on Sunday.

The election is a landmark event because it has turned into a referendum on the Swedish Model — a mixture of capitalism and socialism that has given Sweden one of the world's highest standards of living and enormous economic clout for a country of 8.6 million.

Sweden has an impressive array of world-class manufacturers and a clean environment and virtually no slums or poverty.

Unemployment has not risen above 2.9 percent for at least 20 years, and more than 80 percent of women work. Taxes cover tuition through graduate school, almost all of health care and 85 percent to 90 percent of day-care. And a typical Swede can retire with a pension that is 65 percent of the average of his highest 15 years of pay.

Nearly half of adults own or have a family member who owns a vacation home, which Swedes have plenty of time to enjoy given their minimum of five weeks and two days of vacation and what are undoubtedly the world's most generous paid leaves to care for children.

But Swedes complain that the Social Democrats have created a Big Brother state. It exerts too much control over their lives by forcing them to pay the highest taxes in the Western world and to rely on the state for health care, old-age homes, pensions and child care, they say.

> **'It's impossible to make any money. The Social Democrats want everybody to be poor together.'**
>
> **Lee Haagensen, a Volvo worker**

"The Social Democrats think it's a luxury to go to the movies," said Lee Haagensen, 22, who works at Volvo's big car-assembly plant in Gothenburg, Sweden's second-largest city. "It's impossible to make any money. The Social Democrats want everybody to be poor together."

Reflecting the disaffection, two parties now unrepresented in the Riksdag, or parliament, have together garnered 12.5 percent and 15.4 percent support in two of the latest opinion polls. In a country with eight main parties, that makes them important. The Christian Democrats, who preach Christian family values, have been around since the 1960s. They blame egalitarian policies of the Social Democrats for everything from a rise in crime to the high number of divorces and single-parent families.

New Democracy, a self-described anti-establishment party, was formed in February by two flamboyant businessmen who have injected excitement into the staid political scene. They promise to get the welfare state off people's backs by slashing taxes and subsidies, firing tens of thousands of bureaucrats, lowering Sweden's extraordinarily high food prices and, for good measure, disbanding the force of traffic wardens that hands out parking tickets.

New Democracy's policies are more extreme than those of the other four nonsocialist parties, which have agreed to try to form a coalition government. Indeed, the leader of one, the Liberals, has threatened not to join the coalition if it includes or needs the support of New Democracy. That has raised concerns that it will be difficult for anyone to form a government that has any staying power.

Even a coalition of the four centrist nonsocialist parties would cut taxes, which altogether equaled 57.7 percent of the gross national product last year. They have also pledged to sell state-owed companies and to allow the private sector to compete in areas like health care and day-care for children where the public sector has a near monopoly.

"A lot of people feel very restricted," said Carl Bildt, 42, the leader of the Moderates who as head of the largest nonsocialist party will almost certainly become prime minister if the Social Democrats fall. "They want more freedom of choice and economic opportunities."

Indeed, young people moan that even simple pleasures are exorbitantly expensive. They resent having to pay $7 for a beer in a bar, $35 for a dinner at a Chinese restaurant and $80 for a pair of Levi jeans.

Women grumble that the tax and child-benefit systems force them to work and to put their children into day-care, ignoring that Sweden is hardly the only country where it takes two incomes to live. Women who want to work say a shortage of public day-care centers forces them often to settle for a hardly egalitarian second best.

Blue-collar union officials and workers, the traditional backbone of the Social Democratic Party, are upset, too. They say the government has not only postponed promised increases in parental-leave benefits and vacation but has trimmed benefits like sick pay — a desperate step taken to curb rampant abuse that had helped push absenteeism to between 20 percent and 30 percent, crippling companies and social services.

"Many rank and file people don't recognize the party anymore," said Stig Malm, chairman of the Swedish Confederation of Trade Unions.

In all but nine of their 53 years in power, the Social Democrats have had to rely on the support of other parties.

"With the low support for potential allies like the Left Party and the Greens, I don't think they will be able to find enough allies this time," said Hans Bergstrom, an editorial writer at Dagens Nyheter, a liberal newspaper. The Left Party are the Communists. The Greens are an environmental party.

The government has begun a radical overhaul of the welfare system aimed at making it more efficient. It is also aimed at breaking public-sector monopolies by encouraging more competition within the system and by allowing more competition from cooperatives and private companies.

The end of the Cold War and the demise of communism in Eastern Europe and the Soviet Union has jolted Swedes.

"A lot of Swedes discovered they had been Social Democrats by habit and not by conviction," said Anders Isaksson, a Social Democrat and a columnist on Dagens Industri, a financial newspaper.

Discontentment had already been soaring due to Sweden's economic problems, which have strained its ability to maintain, let alone improve, the standard of living. In recent years, Sweden has been battered by stagflation, balance-of-payments deficits, currency crises, fleeing business investment and worker turnover and absenteeism. Labor shortages still force hospitals to close wards during summer vacations.

All this caused the Social Democrats to compromise if not abandon many ideals.

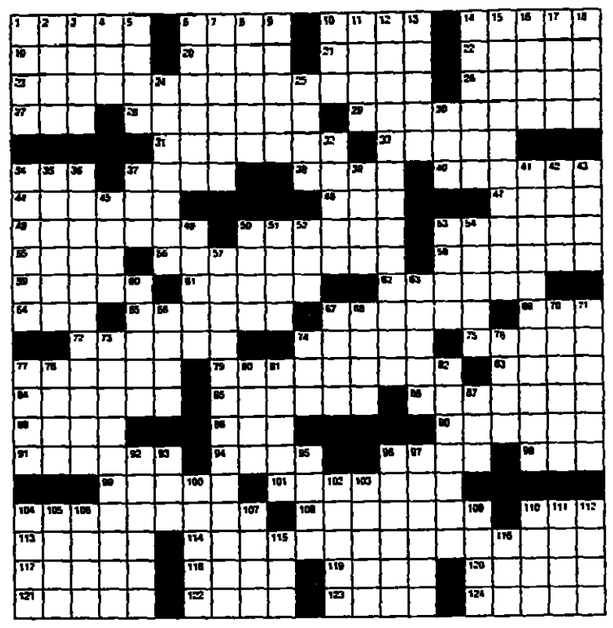
"It could be said that Sweden is simply becoming more normal," said Goran Therborn, a sociology professor at the University of Gothenburg.

The government has owned up to the fact that Swedes are not so different from others and need incentives to work. It has resorted to a carrot-and-stick approach. The stick was the cut in sick pay introduced in March. The carrot was radical tax revision, which was aimed at giving Swedes more freedom in deciding how they spend their money. The highest marginal income tax rate was cut to about 51 percent this year from 72 percent in 1989.

Dom Ionescu/Reuters

IN BUCHAREST, ONE MORE FALLS — A Romanian demonstrator holding a Communist symbol aloft Friday after workers toppled a 15-meter-high monument to the Soviet Union's Red Army opposite the Soviet Embassy. The job took two days to finish.

Children's Hour By John M. Samson



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ACROSS

1 Beam
6 Kura tributary
10 Piquant
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19 Upper house?
20 Hebrew letter
21 Twinge
22 Certain long bones
23 *Irish breakfast?* (Seuss)
26 Sesame
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28 Phoenician vessel
29 Pretoria's locale
31 Top of the world
33 French school
34 Pisa-to-Leghorn dir.
37 Vinegar: Comb. form
38 Provo plant
40 Diamond, actually
44 Associate
46 Mongoose's prey
47 Don Juan's kiss
48 Ace
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85 Bearded sheep
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89 Weaken
90 *Company lover*
91 Warehoused
94 Radiance
96 "Echoi" composer
98 Pro —
99 *Like the oak leaf*
101 Classified words
104 Ornamental pink
108 Play it again
110 AMEX overseer
113 Forbears
114 Nike's reveries? (Conford)
117 *Frozen dessert*
118 Novelist Hostovsky
119 Aye-aye's home
120 Wyeth model
121 Pleasure Island sounds
122 Headway
123 Sediment
124 Artemis gave him stardom

DOWN

1 Roman fleuve
2 Round up
3 Domain
4 Tsk!
5 British marquee
6 Greek
7 Derby-winning filly: 1915
8 Peace Prize co-Nobelist: 1911
9 Ignominy
10 Talia Shire film: 1986
11 Ernst's eight
12 Bronte's trap? (White)
13 "... rosebuds while —": Herrick
14 Beneath the Laptev's surface
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16 Author Sewell
17 Indian prince
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24 Builder
25 Cape
30 *Protestant org.*
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39 Frenchman
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73 Outfielder's error? (McClintock)
74 Genetic initials
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78 "Abou Ben Adhem" poet
80 Orsk's river
81 "The — My Fingers," Arnold hit
82 King of ancient Egypt
87 People of SW China
92 An antonym for restores
93 Morse "E"
95 Annelid
96 Jimmy Nelson's canine dummy
97 Gethsemane's locale
100 Showed partisanship
102 Caesuras
103 Seed: Comb. form
104 *Judge Priest's* creator
105 Livy's love
106 Abel's love
107 Brilliant, as a color
109 Mirror, in a way
110 Sun: Comb form
111 Therefore
112 Greenish blue
115 Ergate or kelep
116 — Borch, Dutch artist

Solution to Last Week's Puzzle

L	A	D	S		C	H	A	D		A	V	A	B	R
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Deputies Desert Georgian Leader

Compiled by Our Staff From Dispatches

TBILISI, U.S.S.R. — The Georgian president, Zviad K. Gamsakhurdia, faced a fresh challenge to his rule Friday when members of his own parliamentary group joined opposition protests.

Twenty-six opposition parties have joined forces to demand Mr. Gamsakhurdia's resignation, and while they control only a small number of seats in parliament, they have succeeded in destabilizing the president by organizing daily demonstrations in the Georgian capital.

For the first time since Mr. Gamsakhurdia's separatist government came to power, the opposition demonstrators were joined by a small number of deputies from the president's governing Roundtable group, a coalition that had previously given unconditional support to the president.

Mr. Gamsakhurdia, who was elected with 86 percent of the vote in May, continues to control a large majority in parliament. But he has come under increasing fire both in Georgia and from elsewhere in the Soviet Union since the police opened fire to disperse a demonstration in Tbilisi on Sept. 2.

On Friday, the Georgian Republic, which has declared independence from the Soviet Union, denied charges by leaders of the Russian Republic that it was abusing human rights. In return, it accused authorities in Moscow of threatening to use force against it.

Meanwhile, Soviet national newspapers failed to appear in Georgia for the second consecutive day.

The parliamentary chairman, Akaki Asatiani, said the dailies were now considered foreign publications and needed special permission to print. *(AFP, Reuters)*

■ 3 Baltics Clear Hurdle

The UN Security Council has recommended unanimously that the newly independent Baltic states of Latvia, Lithuania and Estonia be granted immediate UN membership, The Washington Post reported from the United Nations.

"I am glad we have solved this problem," the Soviet delegate to the United Nations, Yuli M. Vorontsov, said late Thursday after the council announced its decision.

UN Team Leaves Iraq, Failing to See Test Sites

Agence France-Presse

BAGHDAD — UN experts left Iraq on Friday after being blocked from inspecting missile-launching sites in the west of the country because of Baghdad's refusal to allow the use of United Nations helicopters.

"I have not been able to accomplish the task I was originally assigned," Tom Brock, head of the 17-member team, said at the end of the one-week visit. The team carried out two inspections in the north and south of the country, finding only "a minor piece of a missile support structure."

Mr. Brock said his team's task had been to complete inspections in Iraq's western zone and of the long-range supergun that Iraq said in July that it had test-fired.

He said the next UN mission would "supervise and monitor the destruction" of fixed launch sites in the west and gather more information on the supergun.

Mr. Brock said that UN Security Council Resolution 687, which set conditions for a Gulf cease-fire, "provides us to be able to use our own transportation to conduct inspections."

U.S. Aides Meet El Salvador Guerrillas

Washington Post Service

SAN SALVADOR — After 12 years of U.S.-financed civil war, top American officials in El Salvador have met and talked with armed guerrilla commandos in a war zone.

Ambassador William G. Walker and Colonel Mark Hamilton of the U.S. Army, the head of the U.S. military advisers here, held the meeting over the Labor Day weekend. They were accompanied by a congressional staffer, a Salvadoran associate and bodyguards.

Mr. Walker said he "didn't go up there to break bread" with the guerrilla leaders, adding that the main purpose of the trip was to meet with civilian leaders. "We've got to pass through this phase to get to peace," he said, adding that the meeting was an initial attempt to open lines of communication and trust.

The meeting was held in Santa Marta, a village in the north populated by pro-guerrilla civilians.

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International Herald Tribune
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Iraq Flirts With Trouble

Iraq now says that — in a direct violation of a United Nations Security Council resolution — it will not permit UN arms inspectors to use foreign helicopters in its airspace. It wants them to use only Iraqi aircraft. Foreign helicopters, an Iraqi minister blandly explained, would pose a threat to Iraq's security. A UN inspection team is currently in Iraq looking for long-range missiles, but in protest against this new constraint, it said Thursday, it is pulling out. Its work, unfortunately, is far from ended.

The Iraqis have been pressing the limits of the cease-fire resolution since spring. Now they have begun to violate its terms openly in a test of the UN's will to stick with an unpleasant and hazardous job. The Iraqis are aware that the United States is preoccupied by the great events in the Soviet Union and by the quarrel with Israel over money. They are counting on the short American attention span to enable them to slide out from under the sanctions.

But the United States and the UN have much better reason now to insist on rigorous enforcement of the resolution than they had when they wrote it. UN inspectors have demonstrated that Iraq was not only developing nuclear weapons but was working on a much larger scale than anyone had suspected. The inspectors found much larger stores of chemical weapons than allied intelligence had anticipated. They found a clear capability to produce biological weapons. The missiles are the means of delivering these weapons over a radius that extends well beyond the Middle East.

Finger-shaking from New York is not likely to improve the level of Iraqi cooperation. The UN needs a strategy to force prompt compliance. Under present circumstances, economic sanctions will not be effective. The UN will shortly establish rules permitting Iraq to sell some of its oil to buy food, but Iraq, claiming infringement of its sovereignty, may refuse to sell oil under the UN's conditions. The burden of the growing food shortages rests most severely on the Shiites in the south, and he is content to let them suffer. His army is still adequately fed.

The allies' military victory in the desert last winter advanced the process of containing Iraq but did not complete it. As the UN inspectors' discoveries this summer have demonstrated, leaving the job undone would be intolerably dangerous. If diplomatic and economic pressures are ineffective, then it becomes unavoidable to resume military pressures.

— *THE WASHINGTON POST.*

Now, the Cuban Endgame

Barely Even a Thorn

Fidel Castro was not the only person rattled by Mikhail Gorbachev's announcement that Soviet military forces are to be withdrawn from Cuba.

Ever since Cuba I, the disastrous 1961 Bay of Pigs invasion, and Cuba II, the horrifying 1962 missile crisis, Cuba has been viewed by Washington as an offshore threat and by Moscow as a strategic toehold in the Western Hemisphere.

But now hard-liners still worried about the last traces of Cold War are robbed of yet another verity. If there is ever to be a Cuba III, it is likely to be a strictly homegrown affair in which Cubans decide among themselves the future of their society.

Shielded by the Soviet Union's power, Fidel Castro turned Cuba into an arsenal and training camp for hemisphere revolutionaries. He armed a dozen insurgencies and sent troops to fight wars in Africa.

Washington responded by tightening Cuba's economic blockade and moving against radical regimes in Nicaragua and Grenada and an elected leftist government in Chile. "No more Cubas" became a rallying cry that swayed Presidents and Congress.

What proved a fantasy was the belief that Cuba was responsible for every indigenous revolution and that Fidel Castro's doctrines were the true menace.

It was the Moscow connection that gave Havana its clout. Soviet subsidies were essential to keep the Cuban economy afloat; the global reach of communism inspired Latin guerrillas.

Now the Soviet gods have failed Mr. Castro. Without billions in subsidies, Cuban socialism is bankrupt. And when the last Soviet "adviser" sails home, Cuba will have lost its status as a Soviet outpost lying, in the timeworn far-right alarum, just 90 miles from Florida.

The final humiliation is that Havana was neither consulted nor forewarned about President Gorbachev's statement to Secretary of State James Baker.

Thus Fidel Castro has been shrunk to his actual size, an eccentric autocrat clinging to a crumbling ideology. In 1961, Senator J. William Fulbright argued vainly against what proved to be the Bay of Pigs fiasco.

He said in a memorandum to President Kennedy that revolutionary unrest in Latin America predated Fidel Castro and, in the absence of political and economic reforms, would outlive him.

"The Castro regime is a thorn in the flesh," Mr. Fulbright said, "but it is not a dagger in the heart."

Fidel Castro lingers on in power, yet with this latest transformation of Soviet policy, even the thorn has lost its sting.

— *THE NEW YORK TIMES.*

An Upheaval to Come?

Freed politically by the failure of the coup, the Moscow leadership is speeding disengagement from Cuba. Remaining Soviet military and intelligence units and advisers will be withdrawn and Soviet subsidies ended. These acts of imperial dismantlement will save Moscow billions, reduce a longtime source of international peril and Cold War tension, and meet an important U.S. condition for broader aid.

The ostensible Soviet military purpose in Cuba was to defend the Communist revolution there from the United States. The American policy of isolating Fidel Castro rather than trying to oust him mooted that purpose after the Bay of Pigs operation of 1961 and the Cuban missile crisis of 1962. Still, the Kremlin retained its forces.

At his Moscow summit meeting, President George Bush said that the United States harbored no aggressive intentions toward Havana. That diplomatic signal provided the cover for Moscow now to say "mission accomplished" and to go home.

The most intriguing aspect of the Soviet pullback is whether and how Fidel Castro's 32-year rule will survive it. He is the only Latin and Caribbean leader not elected democratically. Early on, he repudiated the Gorbachev reforms, apparently convinced that, applied in Cuba, they would tear down his power. His substitute for reform was a redoubling of the familiar repression and anti-American propaganda. He has cut back much but not all of his costly and dangerous "internationalist" foreign policy of exporting Communist dictatorship and revolution. Now he seeks to prepare the already hard-pressed Cuban people for greater misery.

Reform from the top down seems remote while President Castro, 63, hangs on. So far, by manipulating, intimidating or killing potential rivals, he has been spared overthrow by the armed and organized elements most capable of it. In the coming phase, a spontaneous upheaval could yet develop.

Mr. Bush has rightly forsworn any notion of an American "blueprint." Cuban exiles, however, can claim a special role in providing Cuba a bridge back to a normal life. The exiles best placed to contribute are those who have abandoned visions of the pre-Castro order and methods of armed struggle, and embraced reconciliation and dialogue on a democratic foundation.

— *THE NEW YORK TIMES.*

Hope on the Hostages

After weeks of deadlock, the hostage impasse in the Middle East appears to be yielding to diplomacy. On Wednesday, Israel released 51 Arab prisoners and the bodies of nine Lebanese guerrillas in return for definitive information on the death of one of seven missing Israeli soldiers.

On Thursday two guerrilla groups in Lebanon released photographs of Terry Anderson, the American who has been held captive for six years, and Jack Mann, a Briton who was feared dead. And Israel received the remains of a soldier.

These modest moves matter far more than the ritualistic bombast from one of the groups, Islamic Jihad, complaining that Israel's gesture was "incomplete" and calling for Israel's destruction. The moves keep alive hopes for a comprehensive settlement that could finally liberate the 10 Western hostages, 5 of them Americans.

The movement also offers incipient reward for the patient exertions of the United Nations secretary-general, Javier Pérez de Cuéllar, who met with Iranian leaders this week in Tehran to win their cooperation. He has earned the trust of all sides as well as the praise President George Bush offers. If Washington can do nothing directly to nudge the process forward, it can make plain its wholehearted support for the negotiator.

The exchange on Wednesday vindicates Israel's stubbornness in insisting on an accounting of its citizens' fate. It suggests that hostage-taking gangs are responding to pressure from their Iranian and Syrian patrons.

Israelis believe that Ron Arad, a missing air force navigator, is still alive. Until his fate is determined, and the other Israelis accounted for, Israel cannot reasonably be expected to release the rest of its several hundred remaining prisoners. This week's events confirm that progress is possible. It will strengthen Mr. Pérez de Cuéllar's hand if Americans and Europeans make plain their solidarity with Israel on this matter.

The earlier release of a British and an American hostage was described by their captors as a good-will gesture; it was also a crude wedge-driving effort to force Israel to release its prisoners without reciprocation. To frustrate that strategy, all nations need to stick together and keep the pressure where it belongs: on the shadowy gangs who persist in these cruel crimes.

— *THE NEW YORK TIMES.*

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OPINION

Shamir Digs In, Testing the Alliance Again

By Stephen S. Rosenfeld

WASHINGTON — A bruising battle is unfolding over the Israel loan guarantees. It is one of those recurrent encounters in which the United States seems for the moment more distant from and more hostile to its friend, client and ally, Israel, than to the assorted Arab parties with which its relations customarily range from tepid to chill.

Again, an American administration must contend not just with Israeli resistance to an American initiative intended to bring great benefit to Israel. Washington must also contend with an American Jewish community that, under Israeli spur, is applying its influence in Congress to undercut the president's policy. The discussion is taking on the hard and emotional edge all too familiar in these abrasive encounters.

Check the columns. Evans and Novak see President Bush's credibility on the line. William Safire, detecting a threat to the lives of "a million [Soviet] innocents," explains it by a presidential "obsession with forcing Israel out of the West Bank."

It is that way in American-Israeli relations. The detachment bred by American globalism and the intensity that arises from Israel's sense of historical peril regularly make the friction more conspicuous than the friendship. To this are added the strains imparted by inconsistent policy formulation and internal political and bureaucratic rivalry on both sides. The tugs on American Jews are just a part of it.

Experience teaches that the connection will endure. There are too many shared values and interests, too many people working to smooth things out, for it not to. Israel's charms and anguishes make a compelling claim on American constancy.

But experience also teaches that these encounters take a heavy toll — not just in nerves frayed but in opportunities lost.

That is what troubles many people right now. When has there ever been a greater opportunity for a peace breakthrough? The United States is on an international roll. It has launched a peace initiative carefully based on the Israeli-approved Camp David accords and on Prime Minister Yitzhak Shamir's own peace plan. The fading of the Cold War has turned Moscow from antagonist to partner. The Palestine Liberation Organization, Iraq and Syria are subdued. Interlocutors are emerging in the Arab states and on the West Bank. A historic American-sponsored peace conference looms. The absolute priority is to get it started and started well.

Another Israeli government might be cautiously grasping the opportunity for direct talks that for 40 years Israelis have been begging for and defining as the essential basis for peace. But not Yitzhak Shamir. He sees instead threat: a slippery negotiating slope ending in withdrawal, a PLO state and destruction. For him, none of the insurance — negotiated borders, military controls, open Arab-Israeli dealings, American guarantees — is enough.

Was not the international land-for-peace equation ratified by Israel decades ago? Yes but by Labor, not by the now-governing Likud, which prefers the land. It did not matter so much until Arabs started saying they were ready for peace. Now it matters.

Already painfully dependent on American generosity, Israel currently is asking Washington for an additional $10 billion in loan guarantees to help resettle Soviet Jews — ostensibly in pre-1967 Israel.

Israeli immigration is not just marvelously humanitarian in thrust. It is calculatingly strategic — to counter Arab demographics in Israeli proper and in the West Bank. Those loans would free Israeli money to expand settlements, with old citizens and with new, in territories still held from 1967.

Nothing more certainly curdles Arab cooperation with American diplomacy than the United States' failure to enforce its repeated calls on Israel to halt West Bank settlements and leave the issue to negotiations.

Mr. Shamir is refusing Mr. Bush's latest call, it is said in his behalf, so as not to look as though he can be dictated to on the eve of talks. The settlement juggernaut rolls on.

I find people incredulous and deeply offended at the spectacle of Mr. Shamir taking American money, asking for more, going back on land-for-peace, tangling up the peace conference, refusing to halt settlements and rejecting Mr. Bush's entirely reasonable plea to "give peace a chance" by letting the loan guarantee request wait for a conference to get under way.

Certainly America will not profit from this policy. Can anyone imagine that Israel will either?

The Washington Post.

Camp David: Where They Went Right

By Meir Rosenne

The writer was legal adviser to the Israeli delegation at Camp David and later served as ambassador to the United States and France; he is now president of State of Israel Bonds.

NEW YORK — It has been 13 years since the signing of the Camp David accords by Anwar Sadat, Menachem Begin and Jimmy Carter. That solemn undertaking formed the basis of the peace that Israel and Egypt negotiated in 1979. It is the only legal document that bears the signature of an Arab state alongside those of Israel and the United States, and its principles remain relevant to the resolution of Arab-Israeli conflict.

Why did Camp David succeed?

Because of Anwar Sadat's political will to reach a settlement. He recognized that the unequivocal key to peace, the basis for any negotiation, must be Arab reconciliation with the reality of Israel as a permanent fact of life in the Middle East — in short, Arab acceptance of Israel's natural and legitimate right to sovereignty, independence and equality.

Because of America's full and direct involvement, and its determination to play a disinterested, balanced role.

Because there was no pressure from the United States to force Israel to offer concessions that its security would not permit. Because the parties had direct bilateral negotiations.

Because Camp David recognized that one cannot move from war to peace in a single step; it takes time and patience, an incremental approach. Had the Palestinian Arabs accepted, as Egypt did, the framework for their free elections, they would by now have enjoyed eight years of full self-government in all domestic affairs.

Because the accords leave no room for the Palestine Liberation Organization in this process. The PLO has always been committed to "armed struggle" against Israel, and there is no credible evidence that this aim has changed. There is powerful evidence to the contrary, demonstrating the sinister nature of the PLO's intentions — its hysterical adulation of Saddam Hussein, its bizarre welcome of Iraqi Scud missiles over Tel Aviv, its eager welcome of the reactionary coup in the Soviet Union.

Because of an understanding that the issue of Jerusalem is so complex and emotional that it is best left to the very end of any negotiation.

And because Egypt obtained from Israel not only a return of the Sinai, as well as major strategic and economic assets (including oil fields), but a crucial Israeli political concession. Israel gave up the right, for the duration of the agreement, to take unilateral legal action, including annexation, regarding the disputed territories. Any such action must be predicated on a negotiation involving Egypt, Israel and Jordan.

Camp David also imposes an obligation on the other signatories — chiefly that the solution of the Palestinian Arab problem is to be based upon this accord, unless all signatories declare otherwise.

Finally, there is a far-reaching understanding — shared at least by the United States and Israel — that will not be found in the accords, but which alone can make Camp David's principles relevant to a genuine, lasting peace. Both nations are committed to the belief that long-range stability in the region can be based only on democratic order — because systems that do not derive their legitimacy from the consent of the governed, and are not based on the rule of law and public accountability, are too volatile and unstable to assure peace.

This is a lesson that the world, from the Gulf to the Soviet Union, is learning in a revolutionary way. If there is to be a decent and humane new world order, it can be predicated only on the triumph of democracy.

This surely does not imply that Israel will negotiate only with Arab states that are democratic. It simply signifies an understanding that any negotiated settlement of the Arab-Israeli conflict can hope to become secure and durable only in a world, as President George Bush put it so eloquently, "in which freedom and respect for human rights find a home among all nations."

International Herald Tribune.

Aid to the East: A Strangely Halfhearted Approach

By William Pfaff

PARIS — The West is setting up obstacles to the East Europeans' efforts to help themselves. Enthusiasm for helping the Soviet Union and the Eastern countries is running into a Western unwillingness to accept the pain involved in doing the things seriously needed in the East's crisis.

The U.S. government is for aid, but not if it involves money from the official budget. The East Europeans are advised to privatize their economies and let nature take its course — as if an economic revolution were to be accomplished by passing laws in East European parliaments.

Particularly curious is that the West seems more interested in helping the Russians, who are responsible for putting themselves and the rest of Eastern Europe into this catastrophe, than the East Europeans, who are the Russians' victims. In a significant respect the East Europeans have been the victims of the Western powers as well.

The East Europeans were handed over to Soviet domination by the Western allies at Yalta and Potsdam. There was little else the Western powers could have done at the time, given the Soviet Army's domination of the region. But one would think the West might today consider itself under a serious obligation to help these countries — an obligation they certainly do not have with respect to Moscow.

All good luck to the Soviet people and leaders today; but they have only themselves to blame for the Soviet Union's crisis. Lenin was a Russian, Stalin a Georgian, and all the dirty work was done by local hands. In Eastern Europe the crimes were committed on Soviet orders, with a Soviet gun in the back.

The East Europeans are asking primarily for access to Western markets and investments from the West. They are not getting a great deal of either. It is estimated that more money is being paid annually to the West from the East, in loan interest and loan repayments, than the East European countries have yet received from the West.

Poland last year accounted for just 1.1 percent of the external trade of the European Community. Half of what it did export to the EC was in sectors the Community considers "sensitive" — because, for the Community, they are sectors in decline (agriculture, textiles, iron and steel). These are the sectors in which Poland has a comparative advantage. The same problem exists for other countries.

Last week, the European Community refused an agreement with Poland, Czechoslovakia and Hungary that would have given their food exports more generous access to West European markets. The agreement also would have prepared the ground for eventual formal ties between the EC and those countries.

France vetoed the agreement. It did so because the decisively small quantity of Polish beef that would have entered the EC under the agreement inconvenienced French beef producers. The French now are in an acrimonious run-up to legislative elections next year, when the governing Socialists expect to be in serious danger. The farm vote ordinarily does not go to Socialists. Now it might — assuming that France's farmers are as grasping and ungenerous as their government has demonstrated itself.

Electoral cynicism must have some limit in a government which ordinarily claims to be motivated by higher considerations than sheer self-interest. But even if this act was meant as a mere electoral gesture, later to be reversed under pressure from other European governments, much damage has already been done. (The Dutch prime minister, Ruud Lubbers, called the French action "sickening.")

We are at a sensitive psychological moment in the development of the former Communist states' relations with the West. People in the East have longed for 40 years to have the chance to join the West, about whose virtues they have a perhaps unwarrantably high opinion. During the same period the Western powers constantly urged them to defy the Soviets and struggle for democracy. They did so. They finally are free. Now what?

A Czechoslovak diplomat who was part of the wartime government-in-exile in London, Ivo Duchacek, spoke to the BBC several years ago about attitude of his countrymen as the war drew to an end. Remembering the West's betrayal at Munich, they feared they could expect no help from that quarter. The Soviet Union was a problematical postwar ally, but the United States was "a chivalrous knight who comes to save Europe usually five minutes after midnight" — which was to say, too late.

Prague in 1945 could easily have been liberated by George Patton's Third Army; but Patton was halted by General Eisenhower. Czechoslovakia had already been assigned to Soviet military operations, and Eisenhower would allow no U.S. casualties taking territory "which we will soon be handing over to the Russians." However, there had been no political agreement with Moscow on Czechoslovakia.

Mr. Duchacek quotes a friend in Prague who had been a prewar member of the Catholic Democratic Party but now planned to join the Communist Party: "If General Eisenhower and General Patton don't dare to displease the Russians, why should I?"

The French government last Friday would not displease French farmers — who already benefit from what everyone recognizes as an economically indefensible EC support system. The other members of the Community were incapable of persuading France to allow a trade agreement with the East Europeans which mainly concerned matters having nothing to do with beef.

The episode provided another reason for the East Europeans to think that in matters involving sacrifice or risk, the West's attitudes toward them have not really changed that much since 1938, or 1945. Eastern Europe was then considered expendable, and seems now to be.

The political decisions made at Yalta could find a reiteration today in matters economic. One hopes that this will not be. But Czechoslovakia and Poland and the others could once again find that they are on their own.

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Peace Dividend: Battle Lines Are Drawn

THE crumbling of the Soviet military threat has produced the first skirmishes in a renewed effort to capture the elusive peace dividend.

On Tuesday the U.S. Senate defeated a motion by Tom Harkin, Democrat of Iowa, to transfer $3.1 billion from military to civilian spending. The measure failed because the Senate was not ready to break the budget agreement reached between Congress and President George Bush.

Without a new plan the United States will suffer further cuts in domestic spending to protect a military budget bloated beyond all reason.

While Democrats have been dreaming of a peace dividend, the White House has laid a trap that would not only destroy Democratic hopes for new spending but force Congress to further dismember domestic programs to avoid violating the budget agreement. The trap lies in Mr. Bush's current defense-budget request, which implies higher military spending in fiscal 1994 and 1995 than was assumed last fall. According to the Congressional Budget Office, his plan will require $41 billion in cuts in domestic spending to meet the overall budget caps for those years.

Democratic presidential candidates should take the issue into the campaign, exploiting public support for investing in America and forcing Mr. Bush to offer a domestic program.

— *Jeff Faux of the Economic Policy Institute, in The New York Times.*

A Third Side Can Help The Chinese

By A. M. Rosenthal

NEW YORK — When the slaughter begins again in China, the West will be horrified and indignant. After all, we are not made of stone.

Of course, this time we will not actually see much of the murders by Communist troops. Beijing's rulers have learned one lesson from their warm-up at Tiananmen Square — blind the cameras.

When three members of the U.S. House of Representatives recently placed a few white silk flowers on the ground at the square, a gesture that honored the dead and graced America, the guards rushed to do battle against the cameras.

Still, we will get word about the new slaughter and we will certainly be seriously annoyed. But it will have happened because the third side was silent or passive.

In every political prison, whether it is a single jail or a whole nation, there are three sides. The dictatorship and its police, judges and wardens are one side and the prisoners are the second. The third is the outside world — when it fights for the prisoners, keeps their names alive, uses the pressures of political, economic and public opinion power against their captors.

Over decades, as Soviet anti-Communist democrats fought and were jailed, as they were released and continued the fight, as changes took place in the Soviet Union, much of the rest of the world watched day by day and spoke out. In all free countries were people of influence and voice who struggled to push Soviet Communists toward the individual freedoms that led to a nation's freedom.

Whatever future Soviet citizens now decide for themselves, the fact is that the anti-Communist revolution was victorious without great bloodshed. Every Soviet democrat and every Soviet Communist knows that one important reason was that the third side was worldwide.

But where is the third side now for China — for all the Chinese students and workers who still rot in the Chinese gulag, for all their friends and families living in silence and shadow, for all Chinese who despise the Communists and, yes, for all Chinese who say let us be as we are, because they have never known anything but oppression, all their lives?

Absent — but why? The reasons are in our political and intellectual "leadership" and, I believe, in racism.

Americans have the whole world banging on their brains but pay attention when their elected leaders, particularly the president, speak up for a cause, in decency's name. President Bush's message about this last Communist anchor is oh, let's go ahead and do business with them, and everything will be all right — trust me, "I know China."

A saddening number of academics and journalists argue against the mildest of sanctions, raising tariffs to push Beijing — not to give up communism, heavens no, but just to let some democrats out of prison and allow them to breathe.

Too many Americans do not seem able to see Asians as real — certainly not as real as other people who suffer, Europeans if the Americans are white, Africans if they are black.

Beijing hears that tolling bell in the Soviet Union. The old men or their successors will either have to fall back step by step to freedom, knowing the result will be a relatively peaceful end to communism, or fight the people with tanks.

If the third side remains silent, Beijing will fight. Why not? The Chinese Communists have silenced the United States for whatever most peculiar combination of personal and political reasons govern Mr. Bush on China, silenced America even after Tiananmen, through the gulag and slave labor, through genocide in Tibet and now through secret Chinese missile sales to Syria, known to Washington. Most peculiar.

Americans, public and private, can lessen the likelihood of slaughter in China, as they did in the Soviet Union — by putting economic and political prices on repression. It is too late for guarantees against massacre, but it is the only chance.

With Mr. Bush showing his Chinese expertise by doing nothing, hope rests on Congress. Friends of freedom, please write loving notes to the representatives who spoke their minds to the Communists and then placed the white flowers — Nancy Pelosi of California and Ben Jones of Georgia, both Democrats, and John Miller of Washington, a Republican. They were America's third side at Tiananmen Square.

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1891: A 'Sailor' Escapes

VALPARAISO — Mr. Balmaceda, the deposed Chilian President, disguised as a drunken sailor, went on board the United States cruiser San Francisco yesterday [Sept. 14] Admiral Brown sent him the naval uniform in a market basket. Balmaceda remains in the after-cabin, and no one is allowed to see him. The officers refuse to talk. The San Francisco sails tonight for Callao. It is believed the ex-President was hiding in a monastery until yesterday, but although several of them were visited by police no trace of him was found.

1916: Bulgarian Losses

PARIS — Fierce fighting is in progress in the Serbian sector of the Macedonian front, where the Bulgarians have suffered a series of defeats which have cost them enormous losses. West of the Vardar the Serbians, attacking strongly with the bayonet, carried a stretch of trenches between Kovil and Vetenik and drove back the enemy. Further to the south important progress has been made north-west of Lake Ostrovo. The Bulgarians were hurled back in rout and badly cut to pieces, while the Serbians pushed forward and attained the slopes of the Malka-Nidze heights. South of Lake Ostrovo also the Serbians have gained ground.

1941: Suicide Mission

STOCKHOLM — [From our New York edition:] A squadron of Russian living bombs — old airplanes loaded with dynamite which crash on their targets with the pilots still at the controls — sank twelve German ships off Russia's Kronstadt naval base, the Soviet radio said today [Sept. 14]. The report published in the newspaper *Aftonbladet* said "the Red Army sacrificed twelve old planes, several thousand pounds of dynamite and twelve pilots, but the Germans lost thousands of men and twelve ships and a large amount of material."

Plan Would Let EC Act Fast in Monetary Talks

By Charles Goldsmith
International Herald Tribune

BRUSSELS — A new plan aimed at allowing the European Community to speak with one voice in international monetary negotiations would eliminate several requirements including consultation with the European Parliament, officials said Friday.

An EC diplomat said this proposal would allow for joint, effective EC representation in some negotiations under the auspices of the Group of Seven industrial nations, four of whose members are European.

The new proposal on EC economic and monetary union would allow Community finance ministers to negotiate agreements on "monetary and foreign-exchange regime matters" in a timely fashion, without adherence to a previously proposed six-point process that included an opinion from the Parliament.

The detailed rules for most international negotiations were included in an earlier EMU draft.

"On monetary issues, you often need to react quickly and reach an agreement rapidly with other international agencies, and it's not always feasible to wait for a lengthy procedure to unfold," said a diplomat involved in the Community's EMU deliberations.

A single EC currency will necessitate a unified Community position on monetary issues.

Under a new proposal from the Dutch EC presidency, Community finance ministers would decide by majority vote, after consulting the new European Central Bank, "the arrangements for the negotiation and conclusion of such agreements" with international organizations or other countries.

"It could include agreements such as the Plaza and Louvre agreements reached by the G-7, which dealt with the level of the U.S. dollar," the EC diplomat said. Those agreements date back to 1985 and 1987 respectively.

"With EC monetary union, it wouldn't make sense to discuss these agreements separately with Germany, France, Italy and Britain, because they would have a common currency," the diplomat said.

The other G-7 countries are the United States, Japan and Canada.

Asked if EC monetary union would spell the end of the G-7, to be replaced by a G-3 plus the Community, a senior EC official replied, "Yes and no."

"The moment a European Central Bank is set up, it would be responsible for exchange-rate intervention and the like, so the four EC countries in the G-7 would merge their roles in this area," he said. "But there are many areas the G-7 deals with that would fall out of the responsibility of the European Central Bank, including bank regulation, supervision of financial systems and Third World debt."

The EC conference on monetary union has largely focused on internal procedures, and is only now addressing the issue of external representation. The conference is due to end before a December summit of Community leaders.

The Baltics' Gold Wasn't Safe After All

By Steven Mufson
Washington Post Service

WASHINGTON — In the late 1930s, with the Nazi war machine gearing up to the west and the Soviet leader Joseph Stalin menacing them in the east, the three frightened Baltic republics sent their precious gold reserves to Britain, France and Sweden for safekeeping.

Or so they thought.

Half a century after they were annexed by the Soviet Union, the three newly independent Baltic states want their gold back — but only France still has it under lock and key. Britain and Sweden had long since given up on the Baltics becoming free again and either sold or gave away the Baltic gold in agreements with the Soviets.

Thursday, the Bank of France said it was returning the nearly 2.5 tons, or about $28 million worth, of gold that Lithuania had deposited with the French central bank between 1932 and 1936.

Also on Thursday, the United States said it would unfreeze nearly $60 million in assets belonging to the three countries. Gold bullion and relatively small amounts of cash were seized by the United States for safeguarding on June 10, 1940, according to the White House.

But for Britain and Sweden, both eager to help the Baltic states of Lithuania, Estonia and Latvia, there will be a few hitches.

"We sold the gold we had," said John Hawkins, a British Foreign Office spokesman.

Britain never recognized the Soviet annexation of the Baltic republics. But under a January 1968 agreement with the Soviet government, Britain sold the gold it was holding. The proceeds were used to settle claims by British nationals for property seized by the Soviets when they invaded the Baltic states. If the gold were still held today, it would be worth about $170 million. A fifth of it belonged to Lithuania, a third to Estonia and just under half to Latvia.

Sweden, seeking to appease the powerful Soviet Union, recognized Moscow's annexation of the Baltic states in 1941 and simply turned over the gold it was entrusted to hold to the Soviet government. Today, it would be worth about $50 million, according to a spokesman for the Swedish Embassy in Washington. Most of it belonged to Estonia.

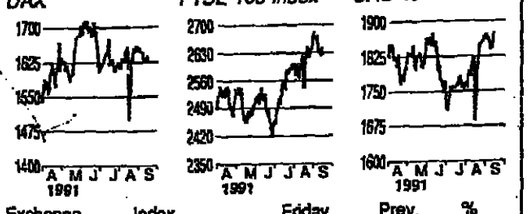
For the Scandinavian nation that has championed causes of national liberation throughout Africa, the handling of the Baltic gold entrusted to Sweden is an embarrassment. "This is nothing to be proud of," said a Swedish Embassy official. "We managed to stay out of two world wars, but there was nothing heroic about it."

Sweden, rushing to polish its image with the Baltic states, has already opened embassies in the three republics and pledged to compensate for the metal and to provide aid worth several times the gold originally deposited in Stockholm.

Britain, however, has promised only to talk with the Baltic republics about the gold in the broader context of financial assistance. "Our aim is to be helpful and constructive," said Mr. Hawkins.

Britain noted that Baltic claims to retrieve the gold could reopen claims by Britons whose property was nationalized in the Baltics 50 years ago. Those claims were settled for a fraction of their value in 1968 because the price of gold was fixed and the Baltic board fetched a lackluster price of £5.8 million, which covered only 42.6 percent of British claims for lost property.

Investor's Europe



Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	CBS Trend	92.30	92.20	+0.11
Brussels	Stock Index	5,591.17	5,576.14	+0.27
Frankfurt	DAX	1,637.62	1,631.32	+0.39
Frankfurt	FAZ	678.10	674.59	+0.52
Helsinki	HEX	924.80	928.50	-0.40
London	Financial Times 30	2,073.20	2,085.80	-0.60
London	FTSE 100	2,625.80	2,641.90	-0.61
Madrid	General Index	272.34	271.32	+0.38
Milan	MIB	1,058.00	1,050.00	+0.76
Paris	CAC 40	1,876.19	1,861.17	+0.81
Stockholm	Affarsvarlden	1,107.40	1,112.30	-0.44
Vienna	Stock Index	521.12	520.33	+0.15
Zurich	SBS	625.90	625.20	+0.11

Sources: Reuters, AFP
International Herald Tribune

Polish Legislature Rejects Central Bank Nominee

Reuters

WARSAW — Poland's legislature on Friday rejected President Lech Walesa's nominee for president of the central bank, and the government said the decision would cause unease in financial circles at home and abroad.

In the vote, 122 members of the Sejm, or lower house, voted to approve the nomination of Marek Dabrowski, a former deputy finance minister, and 85 were against. But the nomination was rejected because there were also 81 abstentions, and thus it did not attain the required 50 percent majority of those present.

Mr. Walesa had proposed Mr. Dabrowski to replace Grzegorz Wojtowicz, who was suspended last month after a fraud scandal involving senior bankers.

For now, the National Bank of Poland will continue under the acting president, Andrzej Topinski.

"The state of provisionality at the National Bank causes feelings of concern in both domestic and international financial circles and does not serve Poland's interests well," said the deputy government spokesman, Jacek Kozlowski.

He said the government had hoped that banks and multilateral bodies would see Mr. Dabrowski, a staunch monetarist, as a guarantee that restrictive policies would continue despite a recession and popular unrest in the run-up to general elections next month.

Very briefly:

- **Finland** plans to raise its borrowing next year to 28.12 billion markka ($6.6 billion), six times this year's target, to reduce the budget deficit.
- **Albania** pledged to repay foreign banks $170 million that its central bank lost on currency trades under the former administration.
- **GEC Ferranti Defense Systems Ltd.** of Britain said it would eliminate 800 jobs because of a downturn in world demand for defense products.
- **London International Group PLC**, a maker of surgical gloves and condoms, said it will cut up to 650 jobs as it moves some production from Britain to Malaysia.
- **Girozentrale & Bank der Oesterreichischen Sparkassen AG**, the second-largest bank in Austria, has set a target of Oct. 10 for recommendations on a proposed merger with **Erste Oesterreichische Spar-Casse-Bank AG**.
- **Hungarian unemployment** was at 251,000 people or 5.2 percent of the work force at the end of August, the government said Friday, up from 4.6 percent a month earlier.
- **MAN AG** of Germany said its annual net profit rose 22.1 percent, to 400 million Deutsche marks ($237 million), boosted by results from its truck and machine divisions.
- **Groupe Bruxelles Lambert SA**, a holding company, said it is considering investing in the Belgium air carrier **Sabena SA** through a group including **Air France**.
- **Rover Group PLC**, the British carmaker, said it is negotiating to build an assembly plant in Iran.
- **Dassault Aviation SA** of France cited weak economic conditions as it posted first-half sales of 5.82 billion French francs ($1.01 billion), down 27 percent.
- **Bouygues SA** has been put in charge of the 1.4 billion-franc construction of the new French national library, subject to official approval, said Dominique Jamet, president of the library.
- **BSN**, the biggest food company in France, said Friday its first-half net profit more than doubled, to 3.4 billion francs, mainly because of the sale of its Pommery & Lanson Champagne division.
- **Bang & Olufsen Holding A/S**, the Danish audio-video equipment maker, posted a net loss in the year to May 31 of 74 million kroner ($11.3 million). It cited poor sales.

AFP, AFX, AP, Reuters

LEYTON: *Scandal Spreads*

(Continued from first finance page)

group of companies under the Leyton House umbrella, is also unclear.

The one-time King of Roppongi, a Tokyo entertainment district, became the first Japanese owner of a Formula One racing team in 1989, when Leyton House, which has sports and leisure interests, bought the British March Grand Prix team after being its main sponsor for two years.

The cost of running the Leyton House team, whose driver Ivan Capelli of Italy finished eighth in last Sunday's Italian Grand Prix, is estimated at 4 billion yen a year.

Mauricio Gugelmin, a Brazilian driver for the Leyton team who finished 15th in the Italian race, said in Brazil on Thursday that Mr. Akagi's arrest was a "great shock" but that Leyton House management had told him they would finish the season.

"The necessary finance has been guaranteed," he said.

In Tokyo, the Nikkan Sports daily noted that recent reports of Mr. Akagi's involvement in the Fuji Bank scandal — which surfaced in July — had already triggered rumors that the team would withdraw from races next year.

In Metzingen, Germany, Hugo Boss AG said that the "private problems" of Mr. Akagi would have no influence on Boss, which is 62.88 percent owned by Leyton House.

The Boss board maintained in a statement that Mr. Akagi never had any influence on the company's business.

(AFP, AFX)

JAPAN: *A Weak Watchdog*

(Continued from first finance page)

ents for losses in the stock and bond markets.

Such reimbursements are now legal, but it is illegal for anyone to promise to make payments in advance of losses. Under the proposed law, both broker and client would face fines and prison sentences if they knowingly pay or receive compensation or make agreements for such payments.

But there again, the plan proposed by the government was a watered down version of the original proposal. Initially, the government was going to call for punishment for anyone receiving compensation, but changed it to punishment only if someone knowingly asked for and then received it.

Mr. Hashimoto noted that in most countries, compensation for losses to favored clients was so obviously improper that it was not outlawed explicitly. He said it was "extremely shameful" that Japan had to ban something like this.

He also said that the ban on compensation was only "the first step toward restoring the lost confidence in the securities market and in the Finance Ministry."

One other feature of the panel's recommendations was the call for a gradual decontrol of fixed brokerage commissions in the industry, which many analysts say stifles competition and creates an atmosphere for cozy deal-making.

The panel also recommended that new companies be allowed to enter the industry simply by registering. The assumption appeared to be that competition would help keep the industry more honest.

Estonia Bank President Quits to Protest New Law

Agence France-Presse

MOSCOW — The president of the Bank of Estonia, Rein Otsason, has resigned to protest against the Estonian parliament's adoption of a law on foreign investment that he considers too liberal, the Baltic news agency Baltfax said Friday.

It said he told the agency that he could not "follow a policy in which I do not believe."

He finds that the new law grants foreign banks unprecedented freedom of action in Estonia that could "lead quickly to disaster" and bankrupt the country's fragile banking system.

Separately, in a Thursday evening television appearance, Mr. Otsason urged Estonians to take their money out of the Soviet savings banks, Baltfax said.

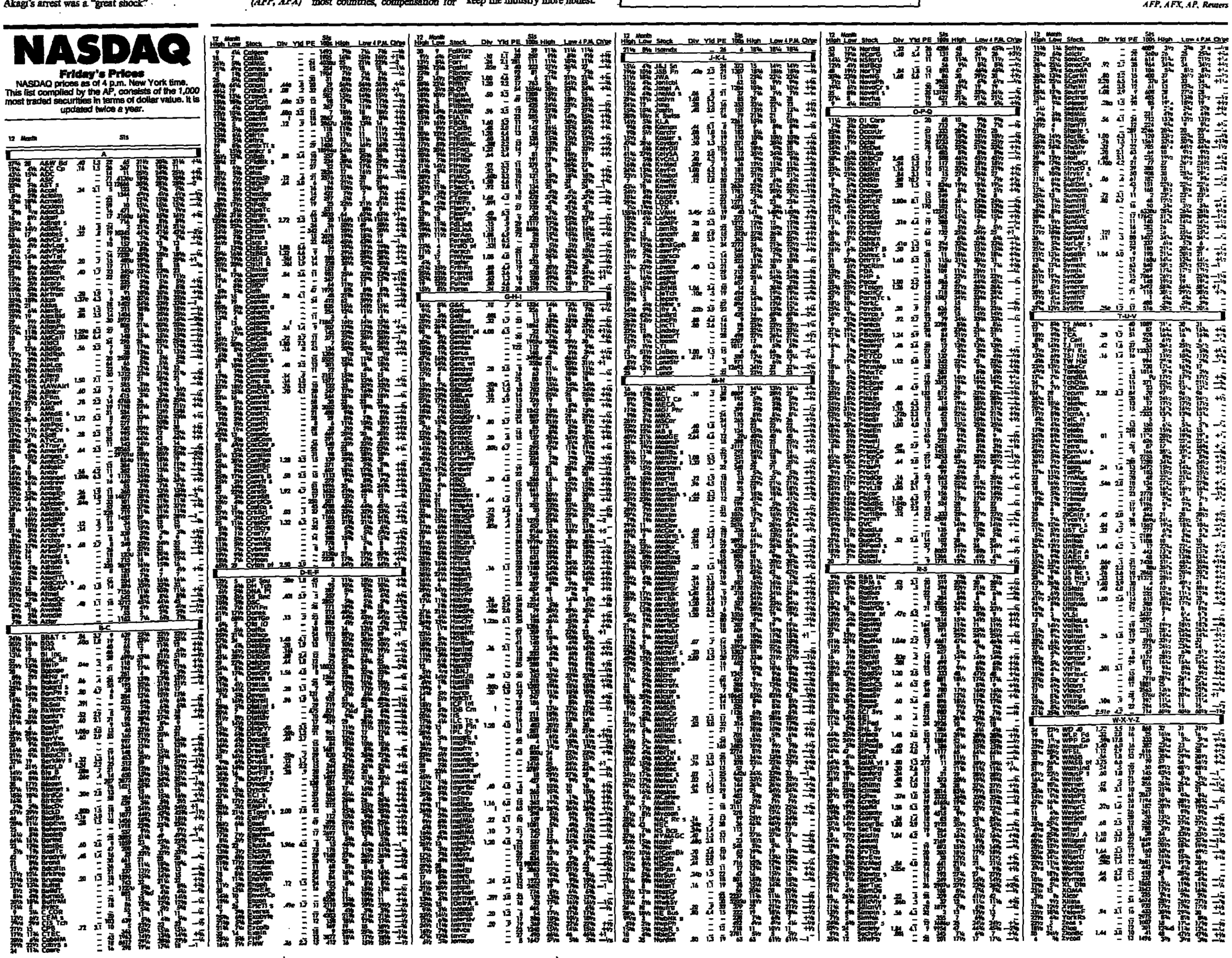
He said the Soviet Union might use part of such funds to pay off domestic debt.

His statement caused widespread worry in Estonia, where long lines formed on Friday in front of the Soviet banks.

NASDAQ

Friday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.



NYSE

Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge
[illegible]										

NYSE Highs-Lows

NEW HIGHS 79

AmBrd 275pf, AmBusPrd, AHome, AmWtrWks, BallGE pfB, Bandag, Barnett pfC, CIGNAHI, CUC Int s, CapstdMt pf, ChaparSti, CinG 4pf, CinG 915pf, CwE 2pr, ConEd 5pfA, ConStor, CHMed, DataGenl, DeluxeCp, DetE 745pf, duPnt 450pf, ElfAquit n, Excelsr InS, ExelLtd n, FstInrstB p, FirstFed, FishrPrce n, GenSignal, HQ Hlth, Handleman, Harley, Hattera Sec, HiYldinco, INA InvSec, IIIPw 426pf, IIIPw 442pf, IIIPw 756pf, IIIPw 8pf, Johnstnind, KansCtyPL, LincNatCv, LIL Co pfO, LaPL pf, Lydall, MGIC Inv n, MarvelEnt n, Mattel Inc, Medtrn s, MolecIrBiosy, MarKeg s, Morgan adlpf, NIM 410pf, NIM adj pf, NicoletInst, NovoNord, OhioEd 390p, OhPw 76pfC, OhPw 848pf, OppenhMG, PWLBdD wt, Pansophic, PaPL 924pf, PhilaEl 7pf, Prefdinco n, Quanex, SFePacPip, SpragueTc, StrideRite, Synovus, TaurusNY, Textn 208pf, Thiokol n, Transm Inc, UnCarbde, UnivCorp, Vestaur Sec, VaEIP 5pf, VaEP 772pf, WMS Ind

NEW LOWS 14

AmaxGold, AvalonCp, BrwngFer, CanalCapitl, DelVal, FtCtyBcp pf, FurrsBsh pf, GtAtlPac, ICM Prop, MarionMDw, Rowan, RBSct pfB, SoeastBk, Texinst pf

AMEX Highs-Lows

NEW HIGHS 19

Ablomed, AdvMed, BarrLab, Bombay n, CarmelCont, DowChm rt, IntPwMach, Medchem, Olsten, Organog, PMC Cap, PacEnt 440p, PGE 250ptP, PGE 2ptO, PGE 240ptK, PlainResc, RymacMtg, SPI Hld pf, Wedco

NEW LOWS 8

AmTr-on sc, Fina, Landmark, PegasusGld, PropCapTr, RichtonInt, Vicon, WestairHld

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AMEX

Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge
[illegible]										

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
g — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xdis — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.

ASIA/PACIFIC

Taiwan Widens Scope Of Imports from China

The Associated Press

TAIPEI — Taiwan on Friday announced plans to import semi-finished products from China, widening its market for from the Chinese mainland.

Economic Minister Vincent Siew told reporters the goods would have to be imported through third countries to preserve a Nationalist policy that bars direct contact with the rival mainland government.

Also, he said, the imports will be restricted to items that do not harm Taiwan's industries or the island's security.

In 1988, Taiwan lifted a ban on the indirect import of selected raw materials, herbal medicines and agricultural products from China.

Mr. Siew said the latest relaxation would help Taiwan factories reduce production costs and improve international competitiveness.

He said his ministry would soon submit to the government cabinet for formal approval a list of semi-finished products to be imported.

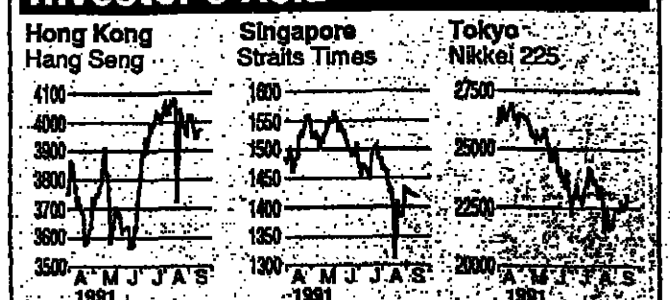
The relaxation will also benefit Taiwanese businessmen who have invested in factories in China, he said, adding, however, that Taiwanese should limit their investments in China to prevent mainland authorities from using them for political advantage.

The government announced Wednesday it had delayed approval on an application by a Taiwanese bicycle tire manufacturer to invest $20 million in China because the amount was considered "too large."

The government estimates Taiwanese companies have about $753 million invested in Chinese factories. Analysts put the figure much higher and say it could total $1.5 billion because many Taiwanese are reluctant to report their investments to the government.

Indirect trade between Taiwan and China has flourished since Taipei eased restrictions. It totaled a record $4.04 billion last year and officials expect it to increase to $5 billion this year.

Investor's Asia



Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hang Seng	3,974.12	3,970.10	+0.10
Singapore	Straits Times	1,415.69	1,417.93	-0.16
Sydney	All Ordinaries	1,567.70	1,569.10	-0.09
Tokyo	Nikkei 225	23,134.43	22,530.20	+2.68
Kuala Lumpur	Composite	544.46	549.41	-0.90
Bangkok	SET	715.57	722.55	-0.97
Seoul	Composite Stock	680.85	683.31	-0.36
Taipei	Weighted Price	4,544.47	4,663.02	-2.54
Manila	Composite	918.58	902.02	+1.84
Jakarta	Stock Index	295.30	294.54	+0.26
New Zealand	NZSE-40	1,412.40	1,410.15	+0.16
Bombay	National Index	N.A.	863.15	

Sources: Reuters, AFP — International Herald Tribune

Australia Sees EC Shift

Agence France-Presse

CANBERRA — Proposals by the European Community to change its agricultural policies have narrowed the gap with other major food exporters in international trade negotiations, an Australian government minister said Friday.

"The Europeans now recognize the need to come to grips with issues under their Common Agricultural Policy," the primary industries minister, Simon Crean, said after meeting the visiting French agriculture minister, Louis Mermaz.

Australian officials said support for EC farmers was one of three obstacles to progress in talks under the auspices of the General Agreement on Tariffs and Trade that broke down last December.

EC Tries to Sell Japan on Cheese

Reuters

TOKYO — European Community officials urged Japan on Friday to lower its high tariff on imports of cheese.

The EC ambassador, Jean-Pierre Leng, said he hoped Japan's 35 percent tariff — the highest on cheese among industrial nations — would be cut during the Uruguay Round of the General Agreement on Tariffs and Trade.

But Eric Steiler, head of an EC panel to promote cheese exports, said even with lower duties it might not appeal to Japanese palates. Per capita Japanese cheese consumption is from 1.2 to 1.5 kilograms (2.6 to 3.3 pounds) a year, against about 15 kilograms for EC residents.

China Expects Large Grain Harvest

The Associated Press

BEIJING — The grain harvest in China this year will be the second-largest in its history despite heavy losses from floods, an official report predicted Friday.

The China Daily newspaper quoted Chen Yaobang, vice minister of agriculture, as saying the harvest will be "millions of tons" less than the record 435 million metric tons of 1990. But he said it would surpass the second-largest harvest in history, 407 million metric tons in 1989.

Very briefly:

- **Dairy Farm International Holdings Ltd.**, retail arm of Jardine Matheson group, said first-half net profit fell 6 percent, to $54.5 million, because of lower-than-expected income from acquisitions.
- **China's** foreign exchange income from tourism rose 35.7 percent in the first half, to $1.3 billion; arrivals rose 23.2 percent, to 16.3 million people. Japan was the leading source of tourists, then the United States.
- **Singapore Petroleum Co.**, which went public last year, said first-half pretax profit rose 126 percent, to 60.1 million Singapore dollars ($35.34 million), because of high oil prices linked to the Gulf war.
- **Hong Kong Association of Banks** said its members would cut their best lending rate half a percentage point, to 9 percent.
- **Australia & New Zealand Banking Group Ltd.** said it was issuing warrants on its 30 million shares in **Coles Myer Ltd.** at 2.75 Australian dollars ($2.17) each. The exercise price is 8.90; the stock is at 10.70.
- **Western Mining Corp.** said it would spend 50 million Australian dollars ($39.5 million) to upgrade its nickel refinery at Kwinana, south of Perth.
- **John Fairfax Pty** can be purchased by foreigners, but overseas voting rights in the publisher of three leading Australian newspapers will be limited to 20 percent, a government panel said.
- **Petronas**, the Malaysian state oil company, said it will soon name a partner to replace **Caltex Petroleum Corp.** in its Malacca refinery project.

AFP, Reuters, AFX

VCR's Successor Hits the Market

The Associated Press

TOKYO — Pioneer Electronic Corp. is introducing recorders for rewritable video disks and disks with rapid editing functions. Sales are to begin October in Japan and in November in the United States.

The product, called LaserRecorder, makes 32-minute recordings of images on a 12-inch (30.6-centimeter) disk. It is expected to replace videocassette recorders, Pioneer said Thursday. The recorder will cost 4.2 million yen ($7,400) in Japan and rewritable video disks 150,000 yen.

Unlike videotape recorders, which take time to gain access to a desired part of tape, the new product's high-speed, random-access function ensures quick video editing.

THE MONEY REPORT

August Market Scoreboard

Best Performers

	Price Aug. 31	Percent Change
New York Stock Exchange:		
Unisys	5.88	+58.7
Security Pacific	35.38	+48.9
Columbia Gas System	18.00	+28.6
USX-Marathon Group	32.63	+28.6
BankAmerica Corp.	43.63	+25.1
Gap	43.88	+25.1
Broad Common	13.13	+25.0
Oracle Systems	11.25	+23.3
Carter Hawley Hale Store	2.00	+23.1
Quantum Chemical	15.25	+22.0
Tokyo Stock Exchange:		
Itoigoya	2890.00	+38.9
Nippon Carbon	1280.00	+28.9
Meiji Seika	845.00	+19.0
Showa Shell Sekiyu	1940.00	+10.9
Mitsubishi Oil	1120.00	+9.8
Yamazaki Baking	1900.00	+ 8.8
Bank Tokyo	1370.00	+ 5.4
Shochiku	1890.00	+ 5.0
Chugoku Electric Power	2790.00	+ 4.9
Shizuoka Bank	1380.00	+ 4.5
London Stock Exchange:		
Lex Service	228.00	+21.2
Granada	180.00	+20.0
Trafalgar House	253.00	+19.3
Midland Bank	253.00	+18.2
Morgan Crucible	278.00	+17.8
Sunlife Group	40.50	+16.5
BBA Group	155.00	+15.7
MB-Caradon	273.00	+15.7
Cookson Group	125.00	+15.7
Bunzl	106.00	+15.3
Frankfurt Stock Exchange:		
Schmalbach-Lubeca	595.00	+18.3
Sap Stamm	1550.00	+15.7
Zanders Stamm	285.00	+12.2
Conti Gummi	217.00	+12.1
Sap Vorzug	1101.00	+11.8
Didier (Fried.) Stamm	146.00	+11.1
Klockner-Werke	147.00	+11.1
Hoesch	294.00	+11.0
Salamander	373.00	+10.9
Lufthansa Stamm	150.00	+10.6
Paris Stock Exchange:		
Michelin B	121.00	+24.1
Rhone-Poulenc Cert inv.	419.00	+23.1
Majorette	186.00	+18.2
CFR (Cie Paris Reescompte)	267.00	+18.3
Hachette	169.00	+15.6
Sple-Bellegolles	573.00	+15.5
Havas	584.00	+14.1
BNP Cert inv.	279.00	+13.9
Fromageries Bel	2447.00	+13.9
Credit Commercial France	169.00	+13.7

Worst Performers

	Price Aug. 31	Percent Change
Salomon Inc.	25.25	−29.4
Ames Department Stores	1.63	−23.5
Battle Mountain Gold	7.38	−22.4
Community Psychiatric	26.25	−14.6
USF & G Corp.	6.75	−14.3
Homestake Mining	14.63	−13.3
National Semiconductor	5.00	−13.0
Continental Corp.	25.75	−12.0
Chrysler	12.25	−11.7
Intergraph	19.75	−11.2
Fujita Tourist (Kanko)	1660.00	−30.0
NSK (Nippon Seiko)	568.00	−24.6
Shimachu	3980.00	−24.0
Okuma	939.00	−22.4
Mori Seiki	2150.00	−22.4
Nikon	915.00	−21.1
Janome Sewing Machine	540.00	−20.6
Yamatake-Honeywell	1420.00	−20.2
Tokyo Style	1190.00	−20.1
Yoshitomi Pharmaceutical	1200.00	−20.0
Greycoat	191.00	−17.7
Ferranti International	8.00	−11.1
Rolls-Royce	137.00	−11.0
Unitech	259.00	−9.4
Astec (Bsr)	18.00	−8.6
Ratners	125.00	−8.1
Maxwell Communications	185.00	−7.7
Saatchi & Saatchi	15.75	−7.4
Bet Industries	687.50	−6.9
United Scientific Hldgs	39.50	−6.0
Rheinmetall Stamm	357.00	−11.4
Aachen & Munich Bet Inh	890.00	−11.0
Rheinmetall Vorzug	242.00	−10.9
Porsche Vorzug	745.00	−9.7
Aachen & Munich Bet Namen	860.00	−9.5
Puma Vorzug	282.00	−7.1
Munchener Ruck Nam	2450.00	−6.8
Victoria Holding	1635.00	−6.5
Volksfuereorge Holding	730.00	−6.4
Dragerwerk Vorzug	320.00	−5.7
Ausiliaire d'Entreprises	985.00	−10.5
Metaleurop	93.00	−7.0
GTM-Entrepose	369.00	−6.1
Groupe Cite	521.00	−6.1
SAT Sa Telecommunication	1725.00	−4.9
Worms & Cie (Pechelbronn)	375.00	−4.9
Metra	190.00	−4.5
CFI Cie Forciere Ital'le	329.00	−3.5
Credit Lyonnais Cert.Inv.	494.00	−3.4
Saint Louis	1438.00	−1.9

Compiled by Morgan Stanley Capital International. Prices in local currencies.

International Herald Tribune

Real Estate Funds: Be Picky

By Judith Rehak

BEARING out the theory that an upturn in the real estate market is a front-runner to economic recovery, a group of U.S. funds specializing in the sector has surged 20.5 percent since the first of the year, according to Lipper Analytical Services of Summit, New Jersey.

But with returns now flattening out, is it too late for investors to join the party?

"Their performance is good currently," says A. Michael Lipper, president of the mutual fund data firm, noting that real estate vehicles were only slightly below the average 23.67 percent return for general equity funds in the same period, from Jan. 1 through Sept. 5. "But most of the great bargains have already been purchased."

Allen Parker, whose top-performing United Services Real Estate Fund is up 26.53 percent this year through Sept. 5, conceded that most of the easily identifiable bargains had already been bought. But now, with the real estate market showing only the first signs of life after a deep slump, he maintains more profits are in store — provided stocks are carefully selected in this still-treacherous market.

Real estate funds do not own actual buildings or property. Rather, they invest in companies serving the industry, like construction and building materials and listed REITs (real estate investment trusts), which can build, own and manage everything from apartment complexes to shopping centers.

Under U.S. code, REITs avoid paying income taxes by paying out 95 percent of their income to shareholders.

Mr. Parker and Barry Greenfield, who manage Fidelity's $54.9 million real estate fund, have profited from highly selective investing in REITs by region and speciality.

For example, a top pick for both managers is Property Trust of El Paso, which has found a niche in low-income apartment complexes in the Southwest, where the real estate market appears to have bottomed out and to be inching toward recovery. Mr. Greenfield says the shares, now trading at $8, could go to $20 in five years, and notes that its 8 percent dividend is luring investors seeking higher returns than the current average 5.48 percent of money market funds.

REITs specializing in health care properties have also yielded rich rewards for these investors. So much so, says Mr. Lipper, that he fears that, along with the general health care craze in the stock market, this sector may well burn out. Here again, selectivity is all-important. Mr. Parker is selling REITs related to psychiatric and drug and alcohol abuse facilities because he believes the government is increasingly reluctant to pay their extremely high charges.

BUT both managers are sticking to the top performing Nationwide Health care, the largest holding in their portfolios. The company, which specializes in nursing homes in retirement areas, has gone from $15 to $24 since January, with, they say, more to go.

Almost entirely shunned are REITs concentrating on office buildings. "Commercial real estate just has too many big problems," says Bruce Garrison of Garrison Brothers, a Houston REIT research firm. Indeed, office vacancies across the United States have quadrupled to 20 percent in the past decade, and rents have fallen from an average $30 a square foot ($322.50 a square meter) in 1982 to $18 in 1990. Analysts believe that it will be years before the commercial market recovers.

Mr. Garrison is very enthusiastic about certain shopping centers, however, notably those run in the Southwest by Weingarten Realty. Despite a run-up to $28, he thinks the stock could see $32 this year, as economic recovery kicks in, and a jump in its dividend from a current $1.92 to $2 in 1991.

A second sector that Mr. Parker finds highly attractive is publicly held homebuilders, which account for 45 percent of the holdings of his $6.7 million fund.

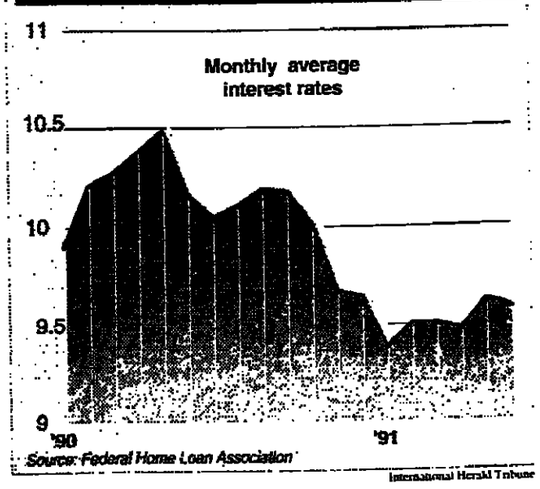
New home sales have been trending up since January, and with 30-year fixed rate mortgages at their lowest rates in four years, an average 9.45 percent, he predicts "a bulge in sales six months from now" that will eat up the glut of houses on the market and fuel new construction.

His top pick here is Kaufman & Broad Home Corp., the biggest builder of "starters," or first homes, in California. Further bolstering the shares are Kaufman's ventures in France, where it is building Sony Corp.'s Paris headquarters, and where its $200,000 American-style houses have proved highly popular.

Another tremendous advantage for publicly-listed real estate companies, says Mr. Garrison, is their ability to obtain financing via rights offerings, stock swaps and share issues. "The traditional sources of capital for real estate like banks, insurance companies and S&Ls are shut down," he notes.

Thus, Mr. Garrison predicts that by the end of the decade, a far wider range of real estate will be securitized. While this will not diminish the pitfalls of the real estate market, or its painfully slow recovery, it will enable informed investor to play the cycle, at different stages in different regions of the United States.

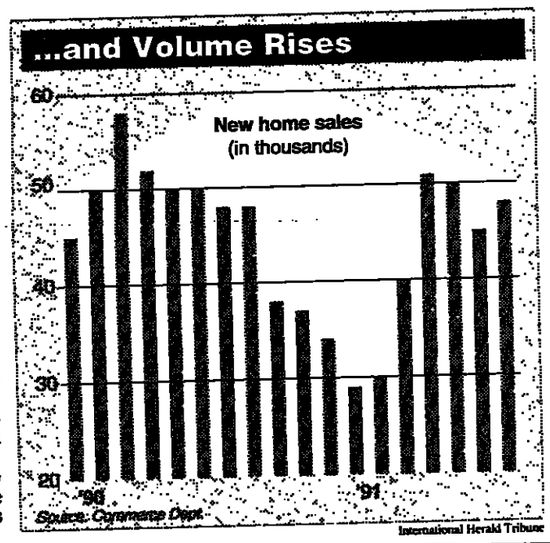
Loan Costs Fall...



Source: Federal Home Loan Association

International Herald Tribune

...and Volume Rises



Source: Commerce Dept.

International Herald Tribune

Best Performing Mutual Funds

Leading mutual funds from Belgium, Britain, France, Germany, Luxembourg, Spain, Switzerland and the United States. Value of $100, income reinvested, excluding charges

Over one month to Sept. 2, 1991

Fund	Domicile	Performance
Argentinian Inv	Luxembourg	165.23
Citifunds US Emerg Technologies	Offshore Terr.	122.66
Premium Life Glbl Technlgy Dlr	Offshore Terr.	121.48
Oppenheimer Glob Bio Tech	US Mutuals	115.04
Genesis Chile	Offshore Terr.	115.02
Forbes Gold Appreciation	Offshore Terr.	113.98
GT Latin America	Offshore Terr.	113.95
First Australia Prime Incm Inv.	Offshore Terr.	113.37
Schroder Latin American	Offshore Terr.	112.09
TSB OIF Pan American	Offshore Terr.	111.98

Over one year to Sept. 2, 1991

Genesis Chile	Offshore Terr.	255.69
Hill Samuel GP UK Equity	Luxembourg	197.14
Oppenheimer Glob Bio Tech	US Mutuals	186.79
Mercury Energy International	Offshore Terr	184.54
GT Biotechnology & Health	Luxembourg	183.06
CGM Capital Development	US Mutuals	180.61
Share Mexico	Luxembourg	180.70
Fidelity Select-Biotech	US Mutuals	179.69
Govett Dlr Geared Currency	Luxembourg	177.59
Financial Strat-Health SC	US Mutuals	176.94

Over five years to Sept. 2, 1991

Formosa Fund	Offshore Terr.	647.75
GNI Spread	Offshore Terr.	557.47
Garnut Investments	Offshore Terr.	414.87
JF Philippine	Offshore Terr.	398.67
Nm Australian	UK Unit Trust	390.53
Morgan Grenfell Japan Smlr Cos	Offshore Terr.	373.99
Financial Strat-Health Sc	US Mutuals	364.88
Wardley South East Asia	Offshore Terr	341.80
Colonial Securities Hong Kong	Offshore Terr.	339.39
Baring Hong Kong	Offshore Terr.	323.96

Micropal IHT

German Funds for Other Europeans

THE investment management arm of Deutsche Bank, DWS, has taken one of the most important steps toward a pan-European market in financial services.

DWS is the first German investment company to be granted permission by the French financial regulator, Commission des Opérations de Bourse, or COB, to market and distribute its funds to the French public. DWS is now selling seven funds through its branches in Paris and Strasbourg.

Selling German-registered funds outside the country became possible only after changes in Germany's domestic investment laws, effected to comply with the EC directive on harmonization of the legal framework of Europe's investment industry.

DWS has been marketing its Luxembourg-registered money market accounts, denominated in Deutsche marks, French francs and European currency units, since November 1989. The company now has almost 500 million Ecu ($604 million) under management in its Luxembourg funds.

> DWS has taken a big step toward a pan-European market in financial services.

The size of mutual fund investment in Europe is considerable, and growing, according to DWS's figures. The company estimates that assets under management in Europe grew by around 68 billion Ecu in the first half of this year.

The European market is now estimated at approximately 300 billion Ecu. An increase in the popularity of fund investment is not the sole reason for this impressive growth: European markets have in general performed well this year, and this has naturally boosted fund sizes.

Money market and similar funds account for more than two-thirds of the total European market. Of this type of fund, France has by far the biggest share. This is in the main due to the French banks' low interest rates on deposit accounts.

Germans are the most enthusiastic bond fund investors in Europe with almost half the market, according to DWS. French bond investors account for more than a third of the market.

Britain dominates the equity fund market, with a share of more than three-quarters. France comes next with almost a third.

US Investment Report

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Dow Jones Industrials	+22%	+65%

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THE FUND PERFORMANCE FOCUS

International Herald Tribune

Published With The New York Times and The Washington Post

The Fund Performance Focus will be running regularly in the Money Report this autumn. It has been created to give our readers investment information on internationally marketed mutual funds with consistently strong performance figures. (Graphs for the F.P.F. are supplied by Micropal Ltd., the U.K. based fund statistical service).

If you are interested in knowing more about any of the mutual fund groups advertising in this section, simply circle the appropriate number on the coupon (at the bottom of the page) and return it to us by letter or fax and information will be mailed to you by the companies involved.

The I.H.T. would like to remind its readers that past performance is no guarantee of future results.

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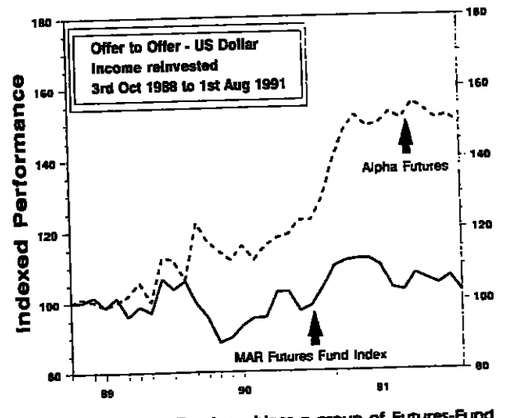

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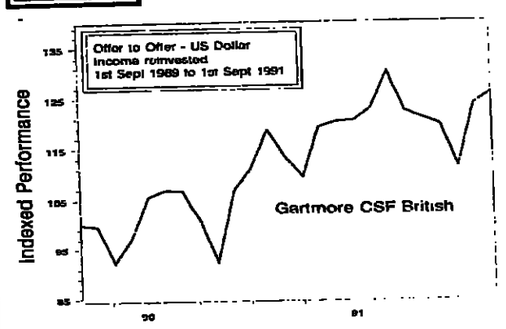

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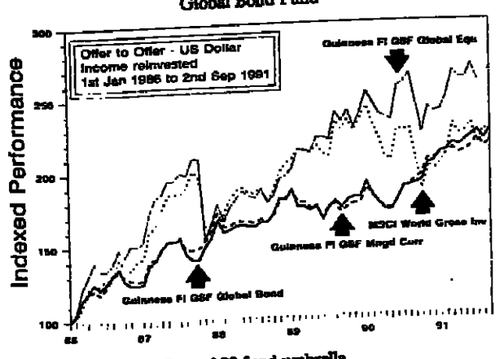

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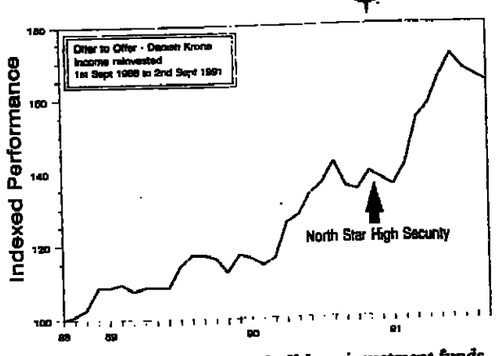

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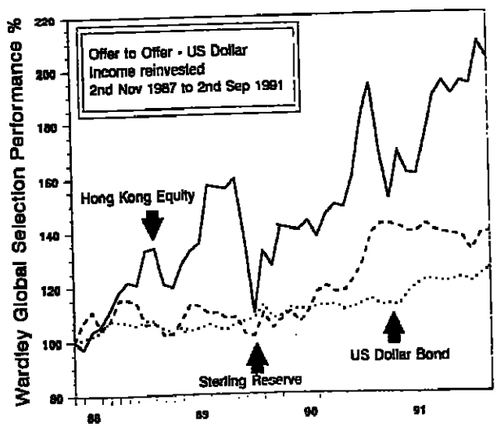

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SPORTS

Road Back Begins For South Africans

By Christine Brennan
Washington Post Service

INDIANAPOLIS — When he was a young gymnast in South Africa, Brian Le Roux used to be told he could not enter certain restaurants or bars with his teammates. He is of mixed race. When he grew older, he was forced to stop coaching black and mixed-race gymnasts. For nine years, he obeyed, but in 1989 he decided to return to his sport despite warnings; he began coaching again.

Because of these performances — totally expected of a nation that has not been allowed at an international championship in 25 years — the South African gymnasts did not qualify for the 1992 Olympics in Barcelona. But the South Africans did not come here to win or lose. They came here to be seen and interviewed, to make a statement, to begin the long road back. And they brought Le Roux and Jerry Masia, who is black, with them as developmental coaches.

There are no black or mixed-race athletes on the South African team at this week's World Gymnastics Championships, just four white teenage girls and two white male college students. None of them was good enough to qualify for the finals in individual competition; none finished better than 100th. Since teams must be made up of a minimum of five men or women, they could not compete in the team event.

Because of these performances — totally expected of a nation that has not been allowed at an international championship in 25 years — the South African gymnasts did not qualify for the 1992 Olympics in Barcelona. But the South Africans did not come here to win or lose. They came here to be seen and interviewed, to make a statement, to begin the long road back. And they brought two developmental coaches, Le Roux and Jerry Masia, who is black, with them for their journey.

"Give me three or four years," Masia said. "You will see a totally different picture. You will see black gymnasts. We've started very late with this development. Now we are exposed to most of the gyms. Now wait and see what happens."

This also is the refrain of Le Roux, 35, who coaches at a gym in Cape Town that he said, "I couldn't put my foot in before because it was whites-only."

An "average" gymnast in the 1970s, Le Roux said he felt "humiliated" several times when his white teammates were allowed to do things he could not.

"When I couldn't get into a restaurant or bar, the guys would leave with me," he said. "They wouldn't leave me outside alone."

That kind of discrimination doesn't happen anymore, he said.

"There have been massive, massive changes," he said. "I live in a so-called whites-only area. I bought a house there. I can walk where I want to. I can get on any train car. I don't have to run to reach the nonwhite car. The buses, the beaches, it's all open now."

Le Roux coached gymnastics until 1980, when the South African Council of Sport, the governing body for black athletes, issued a declaration that blacks were not to associate with whites because, as he remembers the edict, "you can't have normal sports in an abnormal society."

The black and mixed race gymnasts he was coaching were part of the South African Amateur Gymnastics Union, the white-run national governing body for the sport. His ties had to be severed, according to the council.

So Le Roux turned to coaching water polo and soccer and teaching lifesaving from 1980 to 1989. And the black and mixed-race gymnasts he had been helping were set adrift.

"I had a lot of excellent gymnasts who won many gold medallions in national competition," he said. "We were taking them off the street, helping them. And then we lost them."

When Le Roux finally decided to come back, he went to the gym in Cape Town, but didn't stop there. This spring, he went to Crossroads, a shantytown in Cape Town, and began beckoning black children to try somersaults.

"This is a black township where you wouldn't want your dog to live," Le Roux said. "When it rains, it's like a shantytown in Venice. Water everywhere. I have 60 black children ages 5 to 15 doing tumbling outside on the lawn. I don't even have mats. They tumble on the ground. You ask a white child to do that, they never would."

Elizabeth Cameron-Smith, the South African team manager, estimated that 20 percent of the children under the age of 10 participating in elite national gymnastics programs in South Africa are black or mixed race.

"These are the high-potential kids we have found in our national programs," she said. "There is growing representation in these squads. We are preparing for the Olympics of the year 2000 and they are the ones we are looking at."

The problem for years within South African gymnastics circles was that there was no particular incentive to get better, because there was nowhere for the best gymnasts to go.

South Africa last competed in the Olympics in 1960 and was banned by the International Olympic Committee in 1970 because of apartheid. In July, the Olympic committee readmitted the nation, and individual international sports federations must make their own determinations about allowing South Africans to compete.

"Up until now, a carrot was held there, but we didn't know how far away it was," said Kobus Scheepers, president of the South African gymnastics union. "We have caught up with the carrot."

"We ask ourselves, 'Why are we the lucky ones?' " said 14-year-old Helena Cillie. "I feel very sad for the generations of gymnasts who never could compete."

Michael Conroy/The Associated Press

Sylvio Kroll of Germany, coming through to a fifth-place finish.

All-Around Sweep For Soviet Men

The Associated Press

INDIANAPOLIS — Soviets Grigori Misutin, Vitaly Scherbo and Valeri Liukin swept the medals in the men's all-around finals at the World Gymnastics Championships and their coach had no doubt he could have had the same result with other team members.

Coach Leonid Arkaev said Igor Korobchinsky and Valeri Belenki "are equal in level to the medalists." Said Arkaev: "The federation of gymnastics in the U.S.S.R. is watching very carefully that gymnastics gets developed in every republic."

Misutin won the gold medal on Thursday night with a score of 59.05. Scherbo captured the silver with 58.95 and Liukin took the bronze with 58.5.

The Soviet Union has won eight world championship team titles since 1954. The Soviet men have won the all-around title at every world championship since 1978.

Li Xiaoshuang of China was fourth. Germany's Sylvio Kroll and Italy's Yuri Chechi tied for fifth.

Miami Blows Past Houston and Klingler

New York Times Service

MIAMI — The University of Miami's football game against Houston was billed as a showdown of high-powered offenses. At least, the Hurricanes did their part.

No. 2 Miami dominated throughout Thursday night in a 40-10 rout of the 10th-ranked Cougars, who in their opening game defeated Louisiana Tech, 73-3.

It was the 39th consecutive victory in the Orange Bowl for Miami, which was penalized 17 times for 158 yards. Houston had 14 penalties for 156 yards, and numerous other infractions were declined in the sloppily played game.

The teams totaled 96 passes. And although the game lasted 3 hours 54 minutes, a record for Miami, the suspense was over when Miami went ahead by 21 points in the first quarter against a barely resistant Houston defense.

By the finish, quarterback Gino Torretta of the Hurricanes looked more like a Heisman Trophy candidate than did Houston's celebrated David Klingler. Torretta completed 16 of 35 passes for 365 yards and 4 touchdowns. Klingler attempted 59 passes and completed 32 for 216 yards and one touchdown, which came with 3 seconds to play. He was sacked five times.

"We knew they were going to come in here to take something away from us," said defensive end Rusty Medearis, who had one of the sacks on Klingler. "And we stopped 'em cold."

The Hurricanes failed to score on their first offensive series, but struck easily on their next three possessions in drives that consumed 3 minutes 26 seconds, 1:54 and 2:01.

"They said they were an explosive offense," Torretta said. "I just wanted to show 'em we were, too."

On the first scoring drive, Torretta got Miami rolling with a 14-yard completion to wide receiver Lamar Thomas. Eight plays later, fullback Martin Patton rumbled in from 2 yards out.

Klingler and Houston, known for a loud offense, were silenced. The Cougars were particularly futile in the first quarter. Klingler completed four of eight passes in that span, but two lost yardage. He settled for 18 passing yards.

Giants Will Almost Meet Their Match in Chicago

Matchups of this weekend's NFL games were written by Thomas George of The New York Times. Odds are from the Latest Line.

GIANTS (1-1) VS. BEARS (1-1)
Key Stat: Bears have won eight of the last 10 played in Chicago.
Comment: The Giants must closely guard Neal Anderson as a pass receiver. He can be a deep threat against a defense that is too eager.

NFL MATCHUPS

The Giants have more muscle. The Giants are favored by 1½ points.

BENGALS (0-2) VS. BROWNS (1-1)
Key Stat: Boomer Esiason is 5-4 in games against Bernie Kosar.
Comment: Cincinnati defense needs more help from the offense. Cleveland's offense is the league's only one that has not made a turnover this season. Bengals by 3½.

COLTS (0-2) VS. RAIDERS (1-1)
Key Stat: Colts' Jeff George has completed more than 50 percent of his passes in 12 of his last 15 games.
Comment: Someone asked Eric Dickerson last week about his first return to Los Angeles since his trade from the Rams in 1987. He thought the questioner was trying to brew trouble, but there is little doubt that he would love to do well here. Raiders by 8.

PATRIOTS (1-1) VS. STEELERS (1-1)
Key Stat: Patriots linebacker Andre Tippett leads the league in sacks with 3.5; that equals his sack total in 13 games last season.
Comment: Pittsburgh trailed Buffalo, 31-27, entering the fourth quarter before being blitzed in a 52-34 loss last week. The Steelers should regroup here. Steelers by 14.

EAGLES (1-1) VS. COWBOYS (1-1)
Key Stat: Cowboys' Troy Aikman has an 80-pass string of no interceptions.
Comment: A second week with Jim McMahon starting at quarterback should help the Eagles' offense settle down. Dallas gave the Redskins fits Monday night. Cowboys by 3½.

CARDINALS (2-0) VS. REDSKINS (2-0)
Key Stat: Cardinals have not won at Robert F. Kennedy Stadium since 1978.
Comment: Washington will find a faster, stronger and deeper Cardinal team than in past. The Redskins, however, are developing an knack for keeping their cool. Redskins by 9.

WLAF Is Still Waiting

Compiled by Our Staff From Dispatches

DALLAS — National Football League owners will wait until October to decide if the World League of American Football will have a 1992 season.

Dan Rooney, chairman of the WLAF Board of Directors and president of the NFL's Pittsburgh Steelers, said Thursday after meetings here that the board had voted unanimously to continue the WLAF, but the owners have not yet acted on that recommendation.

"While there was strong sentiment to continue play in 1992, rather than suspending until 1993, a final decision was deferred until the Oct. 23-24 NFL meeting in Dallas," he said.

The 10-team league was a success in Europe, but struggled in the United States.

"The consensus was by far to go ahead with the league," said Al Davis, owner of the Los Angeles Raiders. "It wasn't close at all for suspension. There is no question the league has great viability." *(UPI, AP)*

49ERS (1-1) VS. VIKINGS (1-1)
Key Stat: 49ers have 10 straight victories in domed stadiums, have beaten Minnesota in four straight games.
Comment: Jerry Rice complained about the 49ers' sluggish offense in their opening loss to the Giants and — zap — he caught nine passes for 150 yards in their 34-14 victory over San Diego last week. Steve Young is the NFC's top-rated passer at 109.1. 49ers by 3.

BUCS (0-2) VS. PACKERS (0-2)
Key Stat: Green Bay is averaging three turnovers a game.
Comment: These teams just can't get it right. The winner finally gains hope while the loser continues to labor and spin toward a 10-plus loss season. Packers by 3½.

FALCONS (0-2) VS. CHARGERS (0-2)
Key Stat: Atlanta ranks second in NFC in rushing, but 13th in defending the run.
Comment: The Chargers need Marion Butts to run strong against Atlanta's slipping run defense and for John Friesz (four interceptions) to limit his mistakes. Chargers by 2.

DOLPHINS (1-1) VS. LIONS (1-1)
Key Stat: Don Shula seeks his 300th career victory, matching only George Halas (325) as NFL coaches who have won 300.
Comment: Detroit has Barry Sanders and Miami has Mark Higgs, the surprise back of the season with two consecutive 100-yard-plus rushing games. Dan Marino and his receivers figure to give the Lions fits. Dolphins by 2.

BILLS (2-0) VS. JETS (1-1)
Key Stat: Bills are averaging 558 yards a game and are the first NFL team to open with 500-plus yards in each of their first two games.
Comment: Buffalo has won seven straight in the series and enters with the league's No. 1-ranked passer, Jim Kelly, the league's No. 1-ranked offense and the conference's No. 1 ground game. That's a lot of No. 1's for the Jets' defense to contend with. Bills by 8.

SEAHAWKS (1-1) VS. BRONCOS (1-1)
Key Stat: Broncos are 4-0 against Seattle in overtime games and are 10-3 at home against the Seahawks.
Comment: Jeff Kemp, in his first start since November 1988, led Seattle over the Jets last week. He has played in six games against Denver and has yet to pass. Denver is second in the conference against the run. Broncos by 6.

RAMS (1-1) VS. SAINTS (2-0)
Key Stat: New Orleans owns the league's No. 1-ranked rushing defense.
Comment: Saints have their best start in their history, and to keep it up, they need continued consistency from Bobby Hebert and punch from their big-hitting defense. Saints by 3.

CHIEFS (1-1) VS. OILERS (2-0)
Key Stat: Warren Moon threw for 527 yards against the Chiefs last season, the second-highest yardage total in league history.
Comment: Chiefs' secondary ranks fourth leaguewide, but the offense has produced only 24 points. Houston has scored 77. Game is Monday night. Oilers by 4½.

BOOKS

EDWINA MOUNTBATTEN: A Life of Her Own

By Janet Morgan. 489 pages. $27.50. Scribner's, 866 Third Avenue, New York, N.Y. 10022.

Reviewed by Diana McLellan

TAKE a woman with knockout looks, serious money, a handsome husband of royal lineage, amusing lovers, yachts, palaces, jewels, furs, killer outfits and cozy friendships with kings. Add feverish dissipation in youth, and respected work in later life. Top it off with a stint as the last vicereine of India and a passionate 12-year correspondence with Pandit Jawaharlal Nehru, that country's first prime minister after its independence. Set it all against the grandest houses in England during the first 60 years of this century and bingo: You have Lady Edwina Ashley Mountbatten, a mini-series waiting to be made.

To be fair, Lord Louis (Dickie) Mountbatten had no idea he was setting himself up to star in a model open marriage when he stalked Edwina, his 19-year-old bride-to-be, in 1921. Edwina was a big-time heiress. Her doting grandpa was Sir Ernest Cassel, a charming, self-made, German-Jewish-born financier who successfully crashed the English upper class, and became best friends with King Edward VII, Edwina's godfather.

Both Dickie and Edwina were virgins when they married. She was a love-starved post-debutante with a wicked stepmother and the curious isolated innocence of the very gently reared. Could they start their honeymoon in Paris, she asked Dickie, "going to the most awful places we can find"? Dickie, even at 21, didn't want to know the "awful" stuff. He thought of sex as half hydraulics and half psychology, and of marriage as an occasional smug diversion from real life, which was the navy.

His ego and naïveté were so vast that he was astonished when, after a few years in what he thought was happy tandem — and the births of two daughters — his cousin David, the Prince of Wales, summoned him for a chat.

"Went to see David . . . He had a queer story about Edwina," he wrote miserably in his diary. His cousin had revealed that among Edwina's dozens of "ginks," as he called her walkers and traveling companions, were some — including Lord Hugh Molyneaux, the American Laddie Sanford, the Daily Express's Mike Wardell — who had bedded Edwina. Worse, everyone knew about them except Dickie.

It must have been sobering in the extreme to think of the consequences of a divorce — not only on his royal relations, who didn't even let divorced persons set foot in the Royal Enclosure at Ascot, but also on his income, which, without Edwina, would consist of a paltry naval officer's pay. Finally, in 1931, after one of Edwina's freewheeling trans-Atlantic jaunts had American gossips in a feeding frenzy (she was supposedly breaking up the Douglas Fairbanks-Mary Pickford marriage) the Mountbattens sat down and cut a deal: They would stay together with separate beds and, to some extent, separate lives. But they would remain loving, mutually supportive chums. Above all, they would be discreet.

Throughout their lives, both Mountbattens left a paper-trail of all their emotions, purchases, clothing, social rounds, travels, love affairs and health. Janet Morgan was apparently allowed access to every scrap. Not for her the data-poor biographer's desperate "she must have felt" or "it might have seemed." They wrote it; she'll quote it. She writes with both charm and economy. Her occasional lapse into Edwina's post-deb slang is perhaps inevitable, after total immersion in the Mountbatten cult of the smart, worldly and endlessly desirable self. If anything, it adds to the startling time-capsule quality of her book.

For, as much as it portrays a woman, "Edwina Mountbatten: A Life of Her Own" evokes a world that has fled. Beneath the relentlessly detailed aristoporn, it rings true, touching, familiar and foreign — like a Noël Coward song tinkled on a grand piano in a glittering room somewhere off a long, dim hallway that looms behind us.

Diana McLellan, the Washington editor of Washingtonian magazine, wrote this for The Washington Post.

BRIDGE

By Alan Truscott

AN unusual number of foreign experts attended the American Contract Bridge League's Summer Nationals in Las Vegas. The island of Mauritius in the Indian Ocean was represented by Robert D'Unienville. On the diagramed deal from the Life Master Pair Championship in Las Vegas he held the South cards and arrived in the right contract of six clubs. He knew from North's bidding, marking him with a singleton heart, that the hands would fit perfectly.

A diamond lead was won with the ace, and South had to plan carefully. The obvious play was to ruff hearts in the dummy, but that would have meant trouble if the trumps had been divided 4-1. Instead he cashed the club king and led a club to the dummy. Finding the suit was evenly divided, he now played spades, ruffing the third round in his hand. When West was unable to overruff South was able to cross to the diamond king and ruff another spade. The fifth spade was established, so he cashed the heart ace and ruffed a heart. The last trump was extracted and the last spade provided an overtrick, important in a match-point event.

Barring extremely bad splits, this line of play succeeds unless West has four clubs and spade shortness.

NORTH(D)
♠K8743
♡5
◇K76
♣AQJ3

WEST
♠Q5
♡K8732
◇10983
♣97

EAST
♠J1092
♡QJ84
◇J2
♣1085

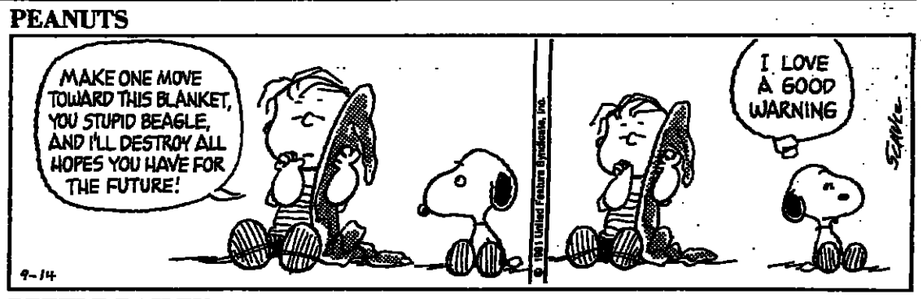
SOUTH
♠A6
♡A106
◇AQ54
♣K642

Neither side was vulnerable. The bidding:

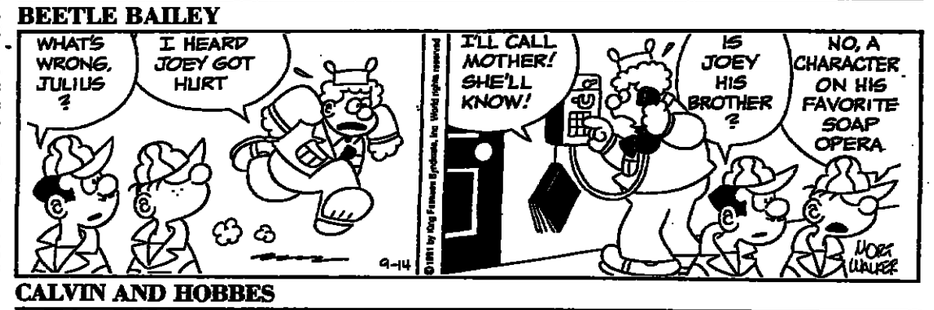
North	East	South	West
1♠	Pass	2◇	Pass
3◇	Pass	3♡	Pass
3N.T.	Pass	4♣	Pass
5♣	Pass	6♣	Pass
Pass	Pass		

West led the diamond ten.

PEANUTS

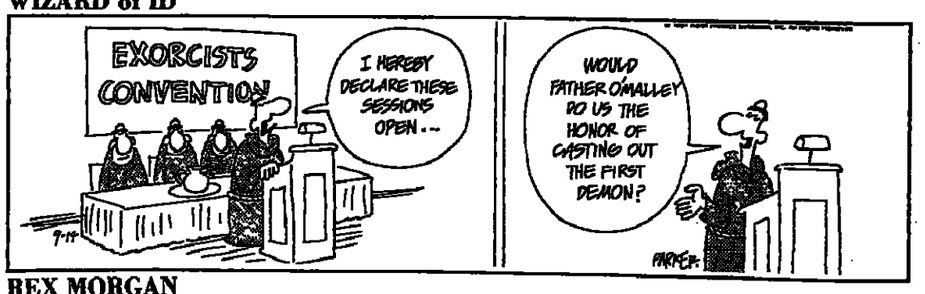


BEETLE BAILEY



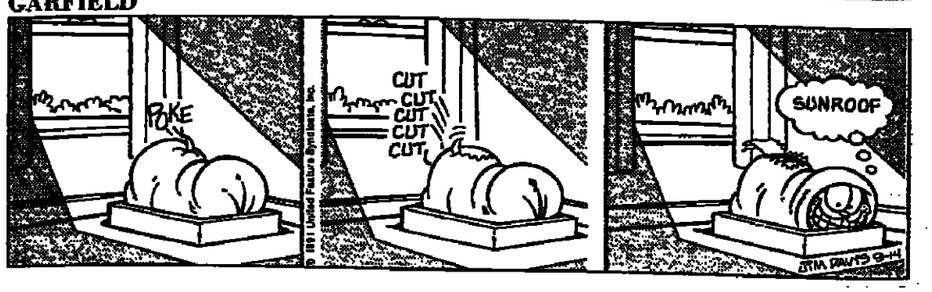
CALVIN AND HOBBES

WIZARD of ID



REX MORGAN

GARFIELD



DOONESBURY

DENNIS THE MENACE

JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

VYNER
TOBOY
FITANN
SHUPTY

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: A "_____-_-_____" (Answers Monday)

Yesterday's Jumbles: BERET NAIVE MAGNET SCHOOL
Answer: What the lion tamer would have preferred — TAMER LIONS

BLONDIE

SPORTS

Showdown In Atlanta: Can Braves Pull It Off?

By Mark Maske
Washington Post Service

The baseball season has almost played itself out, with the remaining schedule showing few of the types of September showdown series that provide a memorable climax to a pennant race.

The Minnesota Twins and Pittsburgh Pirates seemingly have wrapped up postseason berths, and a third front-runner, the Toronto Blue Jays, played their final game of the season against a division opponent on Sunday.

So it is left to the National League West to provide the final possible forum for a face-to-face confrontation between division foes, in the form of a weekend series in Atlanta between the first-place Braves and the Los Angeles Dodgers, trailing by a mere half-game. The three games are the first of six contests in 11 days between the two clubs.

Who could have imagined when the year began that a pair of late-season series involving the Atlanta Braves would be crucial for anyone, except perhaps the team sitting in the dugout across the field from them?

"Did I know when the season started that this would be the biggest baseball series of the year?" the Braves general manager, John Schuerholz, said Thursday. "Yes, I certainly did," he replied, then added: "I'm lying, of course."

The most hotly contested pennant race of the season indeed has been an improbable battle.

The Dodgers fully expected from the outset of spring training to be precisely where they are now, having added about $36 million worth of free agents to a club that finished second last season. The Braves may have thought about being in this position too, but such notions likely were reserved for daydreaming sessions.

To fully appreciate the dynamics of this race, it is necessary to grasp the ground that the Braves have covered in a short time. They entered this season having finished no higher than fifth place in each of the last six years, averaging 96 losses over that span. Until ending the miserable string in May, they had posted losing records in 23 consecutive months, the ninth-worst such streak during this century.

Now they may be on the verge of turning their last-to-first fairy tale into a reality. "For most of the year, everybody's been waiting for us to die," the first baseman Sid Bream said recently. "Maybe we were waiting for that to happen, too. But we've gotten to the point where we've proven that we're for real." The Braves, he added, have "just as much of a chance" as the Dodgers "to win this thing."

They may have an even better chance, given the Dodgers' recent woes on the road. Los Angeles is 36-37 away from home, including a 12-22 mark since the all-star break. However, the Dodgers are 5-1 this year in Atlanta (and 8-4 vs. the Braves overall). "We've had our struggles," the Los Angeles outfielder Darryl Strawberry said, "but we've risen to the occasion when we've had to. We've shown the Braves who's the team to beat."

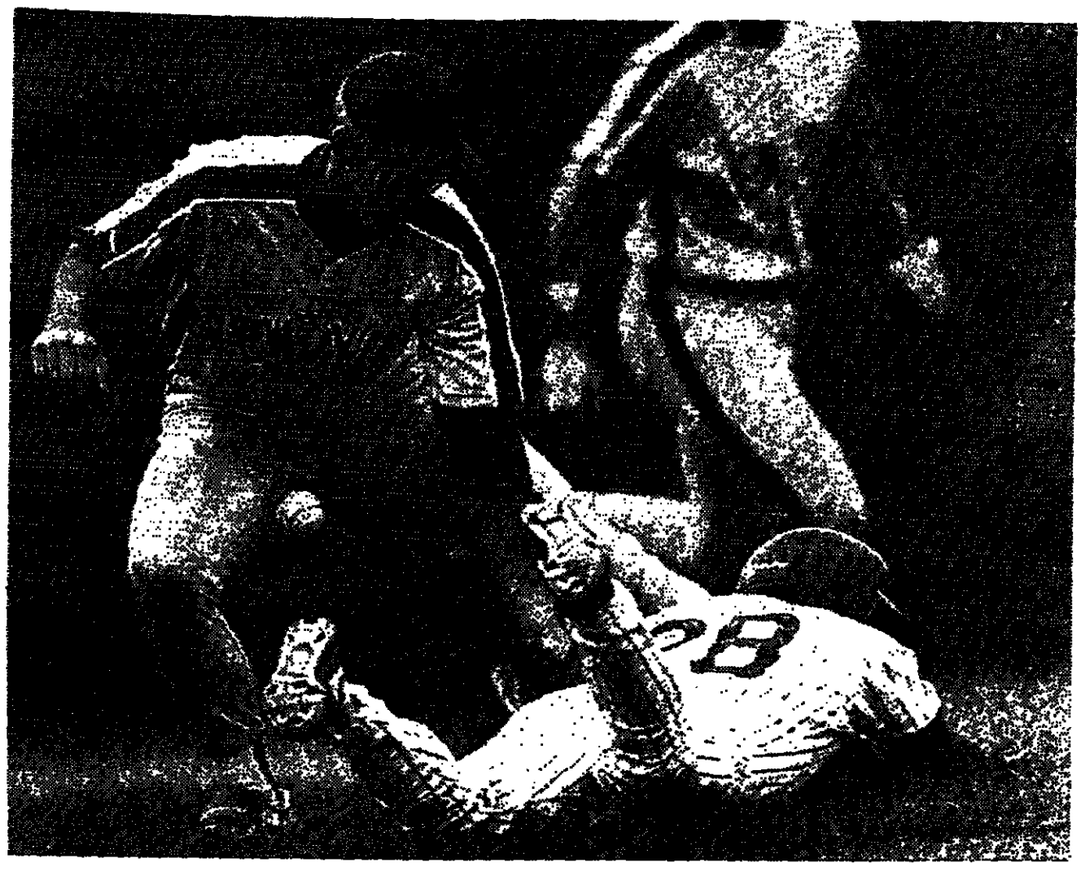
The most intriguing aspect of the head-to-head battle could be the Dodgers' pitching against Atlanta's explosive offense. Los Angeles's earned-run average of 3.13 leads the major leagues by a wide margin, and the Braves were just five runs behind the Pirates for the National League lead.

Still, Atlanta's pitching also is solid, and the Dodgers' attack has begun to grow more fearsome as Strawberry has begun to flex his muscles and Eddie Murray has worked his way back to full strength after being plagued by a rib injury for much of the season.

Both clubs have their most dependable starters lined up for this series: Tom Glavine, John Smoltz and Steve Avery for the Braves and Mike Morgan, Tim Belcher and Ramon Martinez for the Dodgers.

"Experience and talent will show through in the end," Strawberry said.

"It's good to be playing each other down the stretch," he added "because that leaves no doubt at the end that the better team won. And I believe that's us, without a doubt."



John Swart/The Associated Press

The Cubs' Ced Landrum slid into second and the Mets' Keith Miller applied the tag. Only problem was, the ball wasn't in Miller's glove.

2 Races and 2 Directions: Gap In AL East, NL West Tightens

Braves and Dodgers Win

Compiled by Our Staff From Dispatches

The Los Angeles-Atlanta showdown for first place in the NL West doesn't really need any hype, but Tommy Lasorda tried, anyway.

"It's good for baseball, and it's good for the city of Atlanta," Lasorda said of the three-game series starting Friday in Atlanta. "I have many dear friends in Atlanta. I wish they were 10 games behind in second place, but this is going to be exciting, three games there and three games at home. All their fans will be out there pulling for the home team. I look forward to seeing 50 or 60 thousand in the stands."

Both teams won Thursday night: Atlanta beat visiting San Diego, 5-1, behind left-hander Charlie Leibrandt, and Los Angeles survived 10 innings for a 6-2 victory in Houston.

After Atlanta tied the Padres, 1-1, in the first inning on Dave Justice's sacrifice fly, Ron Gant gave the Braves a 2-1 lead when he hit his 29th homer, a solo shot off Bruce Hurst. Gant's home run came with two outs and a 2-2 count.

The Braves took a 4-1 lead with two runs in the fifth. Lonnie Smith led off with a walk and pinch runner Otis Nixon stole second and scored on Gant's two-out single. Gant then stole second, giving the Braves a club record-tying 151 for the season. They last stole 151 in 1982 — the last time the Braves won the division.

In the Dodgers' victory, with the score 2-2 in the 10th in the Astrodome, Darryl Strawberry hit a three-run homer and Kal Daniels added a solo shot. It was Strawberry's sixth homer of the year at Houston, tying Dale Murphy's single-season record for an opponent.

Cardinals 1, Pirates 0: Ken Hill gave up two hits in 6⅔ innings for his first victory in more than two months and Felix Jose drove in the only run with a bases-loaded walk from Doug Drabek as St. Louis defeated visiting Pittsburgh.

Mets 6, Cubs 3: Howard Johnson had three RBIs, giving him 101 for the season, and scored the go-ahead run, leading New York in Wrigley Field.

Andre Dawson's $3.3 million contract option for 1992 became guaranteed as a result of his playing in the game. During the 1990 All-Star break, Dawson had agreed to a deal with an option for 1992 with a $400,000 buyout, but the contract contained a clause that said the second year would become guaranteed only if he were available for 140 games, and Thursday's game was No. 140.

Expos 6, Phillies 2: Larry Walker had three hits, including his 14th homer, and drove in three runs as visiting Montreal beat Philadelphia for its seventh victory in eight games. *(AP, UPI)*

Tigers Drop Farther Back

The Associated Press

The Tigers are finally fading from the American League East race.

As the weather gets cooler, so do Detroit's pitchers. The Tigers lost for the 10th time in 14 games as the Milwaukee Brewers beat them, 7-0, Thursday night and dropped them 5½ games back of AL East-leading Toronto.

"When the offense carries a club, how long can it go?" asked Sparky Anderson, the Tigers' manager. "There is no way you can without pitching. You give me the No. 1 pitching and you can have the No. 1 hitting. Pitching is the whole game. You're never going to do with hitting. You look at any club and they're going to stop hitting."

Detroit has been shut out four times in its last 14 games, and the Tigers know they're running out of time. "You play a 162-game schedule and it's going to happen," Anderson said of the skid.

Four pitchers combined on a four-hitter and Milwaukee scored once in the sixth and six times in the seventh.

Red Sox 7, Yankees 2: Visiting Boston won for the eighth time in nine games as Mike Greenwell drove in three runs, including two with a first-inning single. Jack Clark added a two-run single in the fifth.

Ellis Burks missed the game with a stiff back and Wade Boggs fouled a ball off his right instep.

Rangers 4, Twins 3: Nolan Ryan became only the second pitcher to reach double figures in victories in 20 seasons. He allowed one run and two hits in seven innings and struck out nine.

Ryan passed Tom Seaver and moved into 14th place on the career list with his 312th victory. The only pitcher to reach double figures in victories more times than Ryan is Don Sutton, who did it 21 times.

In Minneapolis, the Twins announced that they have agreed with Tom Kelly on a two-year contract extension worth an estimated $900,000 that makes the Twins' manager the third-highest paid in the AL. Only Detroit's Sparky Anderson and Oakland's Tony La Russa will earn more.

Indians 6, Orioles 5: Charles Nagy gave up two runs and eight hits in eight innings and Baltimore pitchers walked seven, including six in four-plus innings by Jose Mesa.

Carlos Martinez and Reggie Jefferson each drove in two runs for visiting Cleveland.

Angels 7, White Sox 4: Dave Gallagher missed a suicide squeeze sign and lined a go-ahead, three-run double off Brian Drahman in Anaheim Stadium as California rallied for four runs in the eighth after wasting a 3-1 lead in the top of the inning.

NATIONAL LEAGUE

AMERICAN LEAGUE

Daly, Golf's Hot Item, Finds Fame Leaves Him Cold

By Jaime Diaz
New York Times Service

The dust is still settling from the explosion of power golf with which John Daly won the PGA Championship a month ago. But while the fallout of his newfound fame is making the 25-year-old tour rookie a rich man, some of it is already old.

The star-making machinery has been grinding the private life of golf's newest hero to a halt, with the national news media shadowing him, countless business deals — including an instruction video and a book — on the table, and even a country song, "Long John Daly," on the charts.

"Some of it's been fun, but it's been really hard in a lot of ways," Daly said the other day from his home in Memphis, Tennessee, where he has been attempting to rest since taking a break from competition two weeks ago. "I expected this to be a vacation, but it turned out to be a nightmare.

"I just never realized what it's like when you go to gas stations and grocery stores and people know who you are. I haven't been left alone by anybody."

The area of Daly's life that has been most strained by all the attention has been his relationship with his fiancee, Bettye Wilford. The couple, who have been together since last summer, had planned to marry Oct. 8 in Las Vegas, but the demands of Daly's new life brought a temporary postponement.

The naturally obliging nature that Daly demonstrated in winning the PGA was a crucial part of the chemistry that made him so attractive to even casual viewers of golf. But Daly admitted that he is finding it harder to be engaging with those who now clearly want something from him.

"I really appreciate how happy everyone is for me, but it's just that some people you can really read through," said Daly, who last year nearly had to give up the "minor league" Ben Hogan Tour because he was out of money.

"They come up all buddy-buddy, and I'm going: 'Right. Where were you when I needed you?' Those are the ones I just can't get along with."

It falls on Daly's agents at Cambridge International to protect their client from the assault while still taking advantage of having, for the moment at least, one of the hottest properties in sports.

"The hardest thing for John has been learning to say no," said John Mascatello of Cambridge. "He loves people, but this is a time when he can't let himself get exhausted."

Daly, who was preparing to play this week in the Hardee's Classic in Coal Valley, Illinois, has a right to be tired just from all the heavy work he did at the PGA.

Not only did the 5-foot-11-inch (1.81-meter), 190-pounder (86-kilogram) manage to take all the bend out of the Crooked Stick Golf Club in Carmel, Indiana, with his 300-yard-plus (274-meter) drives, he also figuratively picked up and lifted an entire sport to a new level.

By performing the biggest backswing and hardest downswing ever seen from a good player, Daly altered the parameters of the possible in the game.

For all its seduction, power has always been best employed judiciously in tournament golf, and until Daly's victory, it was simply a fond fantasy that an enormously long hitter could play four rounds of a championship without succumbing to the narrow margin for error inherent in a monster swing. But Daly made it reality, and now driving ranges all over the world are filled with golfers trying to kill the ball.

"It was a dream come true for me to see what John did," said Mike Dunaway, a perennial champion of long-driving contests, whom Daly calls the longest hitter in the world. "I've always wanted to see what a truly long hitter could do if everything was working. And John just went to another level. He took the best players in the world — and I don't mean any disrespect — but he made them look like little boys."

Even the most hardened observers were moved.

"Most of these big knockers can't play a lick, but this kid can," said 79-year-old Sam Snead, who burst on the golf scene in the 1930s as a rawboned long hitter.

"It was unbelievable the way he cut that course in half with his driver. I just kept wanting to see him take a belt at it. It was like watching a singer or somebody who makes the hair come up on your neck."

But Snead and others are skeptical that Daly can have long-term success with his enormous swing. The natural companion of long hitting is wildness, and it's no accident that Daly is at the bottom of the tour's driving accuracy statistics, or that he is prone to high scores, like an opening-round 80 at the World Series of Golf two weeks ago.

Daly is aware that galleries want to see him hit with his driver, but he contends that their clamor for maximum distance has no effect on his course management.

"I never want to sound like I'm bragging," Daly said, "but after I hit the 1-iron, they can't believe how far that goes, either."

Even if Daly decides never to sacrifice some of his distance for more accuracy, by winning a major championship he has proved he is much more than simply a long hitter.

"Just the guts that he showed was the most amazing part," said the former tour star Johnny Miller. "This guy had never been under that kind of pressure and he's playing with a swing that could send the ball anywhere if he loses his nerve just a little. But he didn't crack, and that means something. It could mean that this guy could be, if not the next Nicklaus, the next player that could win a lot."

Reuters

John Daly: "I haven't been left alone by anybody."

Finally, Canada Vs. U.S. in Cup

The Associated Press

TORONTO — As a rule, Wayne Gretzky dislikes breakaways. But every rule is made to be broken.

Gretzky's breakaway goal late in the second period opened up a scoreless game and Canada went on to a 4-0 victory over Sweden in a Canada Cup semifinal Thursday night. The victory put the two-time defending champions into the finals against the United States, which eliminated Finland on Wednesday. The best-of-3 series begins Saturday night in Montreal.

Canada has been in the final in each of the five Canada Cups. Gretzky, the tournament's all-time scoring leader with 56 points, has played in four.

Though he's the NHL's all-time scoring leader, Gretzky isn't fond of breakaways. That could be changing.

"Throughout this whole tournament, I seem to be scoring a little bit more on breakaways than I normally do," Gretzky said. "Maybe I'm getting a little more confident."

SIDELINES

Latvia, Estonia Say No to Soviet Team

RIGA, Latvia (Reuters) — The newly independent Baltic states of Latvia and Estonia on Friday snubbed an invitation to join a Soviet team for next year's Olympics.

Ulyana Semyonova, a former basketball standout and vice president of Latvia's Olympic Committee, said the republic would "by no means" accept Thursday's appeal from Soviet republican sports chiefs to form a joint squad for the Winter and Summer Olympics. Estonia followed suit.

There was no immediate comment from the third Baltic state, Lithuania. But officials have already said its Olympic Committee will meet later this month to consider its own team for the Games.

Earth Shifts Under Olympic Stadium

MONTREAL (AP) — A 10-ton chunk of concrete fell from the side of Olympic Stadium on Friday when the ground under the structure apparently shifted.

No one was injured, police said. However, some Quebec government offices beside the huge stadium were damaged.

Employees of the Montreal Expos, who have offices inside the stadium, were not told to leave and service continued on a subway line which runs almost directly under the building.

Nepal Runner Missing After Worlds

TOKYO (Reuters) — A Nepali marathon runner and his coach were missing after taking part in the world athletics championships in Tokyo, officials said Friday.

Officials of the championship organizing committee said they were informed by the Nepal athletics association that runner Krishna Bahadur Basnet and his coach, Nar Bahadur Dahal Basnet, had not yet returned home. Japanese officials said the two appeared not to have taken their flight from Japan after checking out of a Tokyo hotel on Sept. 2.

Long jump record holder Mike Powell has pulled out of Sunday's meet in Sheffield, England, it was announced Friday. The American who broke Bob Beamon's mark in Tokyo has a thigh strain. *(AFP)*

For the Record

Englishman Mark Pullan rallied in windy conditions Friday to eliminate Gary Nicklaus in match play competition in the third round of the British Amateur Golf Championship in Ganton. Nicklaus, 22, whose father is Jack Nicklaus, led by two after the opening four holes but faltered and was defeated, 3 and 1, by Pullan. *(AP)*

Australian Ian Baker-Finch shot a 5-under-par 65 Friday that carried him into a share of the lead after the second round of the Lancome trophy tournament outside of Paris. He is tied at 7-under 133 with Australian Peter Fowler, Colin Montgomerie of Scotland and Frank Nobilo of New Zealand. *(AP)*

Duke McKenzie retained his World Boxing Organization bantamweight title on Thursday with a unanimous 12-round decision over Mexican Cesar Soto in London. *(AP)*

Bertrand Gachot, the French Formula One racing driver jailed for 18 months for spraying gas in a London taxi driver's face, failed in a plea for bail Friday. He has missed the Belgian and Italian Grand Prix races since being sentenced on Aug. 15 and will have to stay in prison until Oct. 15, when his application for an appeal is to be heard. *(AFP)*

Lester Piggott will ride Michelotti in Saturday's St. Leger in Doncaster, England, the final classic of the English flat racing season, hoping for his first classic victory since returning to riding 11 months ago. *(Reuters)*

SCOREBOARD

BASEBALL

Major League Standings

(Through Thursday's Games)

AMERICAN LEAGUE

East Division	W	L	Pct.	GB
Toronto	79	62	.560	—
Boston	75	65	.536	3½
Detroit	73	67	.521	5½
Milwaukee	66	72	.478	11½
New York	60	79	.432	18
Baltimore	58	82	.414	20½
Cleveland	46	93	.331	32
West Division				
Minnesota	85	56	.603	—
Chicago	77	65	.542	8½
Texas	74	65	.532	10
Oakland	75	66	.532	10
Kansas City	71	68	.511	13
Seattle	70	69	.504	14
California	70	70	.500	14½

NATIONAL LEAGUE

East Division	W	L	Pct.	GB
Pittsburgh	83	57	.593	—
St. Louis	73	66	.525	9½
Chicago	69	71	.493	14
New York	68	72	.486	15
Philadelphia	66	74	.471	17
Montreal	61	78	.439	21½
West Division				
Atlanta	80	60	.571	—
Los Angeles	80	61	.567	½
San Diego	71	70	.504	9½
Cincinnati	68	72	.486	12
San Francisco	64	76	.457	14
Houston	57	83	.407	23

Thursday's Line Scores

AMERICAN LEAGUE

Cleveland	210	030	000	6	10	1
Baltimore	200	000	003	5	12	0

Nagy, Kramer (9), Olin (9) and Skinner; Mesa, D.Johnson (5) and Melvin, Tackett (9). W—Nagy, 9-12. L—Mesa, 5-10. Sv—Olin (31). HR—Ripken (28).

Boston	200	020	301	7	11	0
New York	000	000	200	2	6	0

Morton, G.Harris (7), Fossas (9) and Pena; P. Perez, Guetterman (5), Monteleone (8) and Geren, Nokes (8). W—Morton, 5-8. L—P. Perez, 1-3. HR—New York, Mattingly (8).

Minnesota	000	100	002	3	5	0
Texas	400	000	00x	4	5	0

Morris and Harper; Ryan, Rosenthal (8), Russell (9) and L.Rodriguez. W—Ryan, 10-6. L—Morris 14-11. Sv—Russell (27). HRs—Minnesota, C. Davis (28). Texas, Reimer (17).

Detroit	000	000	000	0	4	1
Milwaukee	000	001	60x	7	8	1

Leiter, Cerutti (7), Haas (7), Gibson (7), Ritz (8) and Tettleton; Rowland (8); Bosio, Machado (7), Lee (8), Henry (9) and Surhoff. W—Bosio, 11-10. L—Leiter, 8-4.

Chicago	001	000	030	4	7	0
California	002	000	04x	7	12	1

R. Hernandez, Hibbard (3), M. Perez (8), Radinsky (8), Drahman (8), Patterson (8) and Fisk. Karkovice (8); Finley, Eichhorn (8), Harvey (9) and Orton. W—Eichhorn, 3-2. L—M. Perez, 7-6. Sv—Harvey (39). HR—Chicago, Ventura (22).

NATIONAL LEAGUE

San Francisco	200	000	000	3	5	0
Cincinnati	700	130	02x	7	9	0

McClellan, Robinson (5), Downs (8) and Manwaring; Browning, Olivie (8) and J. Reed. W—Browning, 14-10. L—McClellan, 3-4. Sv—Olivie (29). HRs—San Francisco, Williams (29), Cincinnati, Duncan 2 (10), Morris (13).

New York	100	111	200	6	10	3
Chicago	001	200	000	3	5	2

Young, Whitehurst (7) and Hundley; Bielecki, Lancaster (7), McElroy (8), Slocumb (9) and Berryhill. W—Young, 2-1. L—Bielecki, 13-9. Sv—Whitehurst (1). HR—Chicago, Dawson (26).

San Diego	100	000	000	1	6	2
Atlanta	101	021	00x	5	10	0

Hurst, RL Rodriguez (6), Melendez (7), J. Hernandez (8) and Santiago; Leibrandt, Stanton (8), Clancy (9) and Olson. W—Leibrandt, 15-11. L—Hurst, 15-7. HRs—San Diego, Dr. Jackson (17). Atlanta, Gant (29).

Los Angeles	000	200	000	4	7	0
Houston	200	000	000	2	7	0

(10 innings)

Oleda, Gott (7), McDowell (9) and Scioscia; Kile, Osuna (8), X. Hernandez (10) and Biggio. W—McDowell, 5-8. L—Osuna, 7-4. HRs—Los Angeles, Strawberry (23), Daniels (15).

Montreal	210	010	100	4	10	0
Philadelphia	000	000	020	2	8	0

Nabholz, Rojas (8) and Santovenia; Ruffin, Brantley (7), Hartley (8), Cox (9) and Lake. W—Nabholz, 5-7. L—Ruffin, 3-7. HR—Montreal, Walker (14).

Pittsburgh	000	000	000	0	7	0
St. Louis	000	001	00x	1	3	0

Drabek, Mason (7), Ro.Rodriguez (8), Belinda (8) and Prince, LaValliere (7); Hill, McClure (7), Terry (8), L.Smith (8) and Gedman. W—Hill, 9-9. L—Drabek, 13-13. Sv—L.Smith (39).

Major League Leaders

(Through September 12)

AMERICAN LEAGUE

	G	AB	R	H	Pct.
Franco Tex	127	516	95	176	.344
Bosco Bos	130	495	88	167	.337
Molitor Mil	134	564	111	187	.332
Palmeiro Tex	138	553	102	181	.327
Puckett Min	135	544	83	178	.327
Tartabull KC	113	426	72	139	.326
Thomas Chi	138	492	72	160	.325
Griffey Jr Sea	132	478	65	151	.316
C.Ripken Bal	140	557	88	176	.316
E.Martinez Sea	128	458	83	142	.310

RUNS—Molitor, Milwaukee, 111; Palmeiro, Texas, 102; Sierra, Texas, 101; Cangeco, Oakland, 100; White, Toronto, 97.

RBI—Fielder, Detroit, 121; Thomas, Chicago, 103; Canseco, Oakland, 101; Sierra, Texas, 100; Carter, Toronto, 99.

HITS—Molitor, Milwaukee, 187; Palmeiro, Texas, 181; Sierra, Texas, 178; Puckett, Minnesota, 178; Franco, Texas, 178; C.Ripken, Baltimore, 176; Bosco, Boston, 167.

DOUBLES—Palmeiro, Texas, 42; Griffey Jr, Seattle, 40; C.Ripken, Baltimore, 39; Sierra, Texas, 38; Carter, Toronto, 38.

TRIPLES—L.Johnson, Chicago, 11; Molitor, Milwaukee, 11; R.Alomar, Toronto, 10; McRae, Kansas City, 9; White, Toronto, 9; Gladden, Minnesota, 9.

HOME RUNS—Fielder, Detroit, 40; Canseco, Oakland, 38; Carter, Toronto, 32; Thomas, Chicago, 30; Tartabull, Kansas City, 28.

STOLEN BASES—R.Henderson, Oakland, 50; Raines, Chicago, 48; RAlomar, Toronto, 43; Polonia, California, 39; Cuyler, Detroit, 35.

PITCHING (13 Decisions)—Hesketh, Boston, 16-3, .769, 3.37; Erickson, Minnesota, 18-6, .750, 3.13; Langston, California, 17-7, .708, 3.11; Jo.Guzman, Texas, 11-5, .687, 2.85; Finley, California, 17-8, .680, 3.60.

STRIKEOUTS—Clemens, Boston, 204; R.Johnson, Seattle, 191; McDowell, Chicago, 172; Ryan, Texas, 172; Finley, California, 155.

SAVES—Harvey, California, 39; Aguilera, Minnesota, 37; Eckersley, Oakland, 35; Reardon, Boston, 37; Henke, Toronto, 31.

NATIONAL LEAGUE

	G	AB	R	H	Pct.
Morris Cin	118	417	65	123	.319
TGwynn SD	134	530	69	168	.317
Pendleton Atl	132	499	85	157	.315
Jose Stl.	133	493	60	155	.314
McGee SF	110	413	57	127	.308
Bonilla Pit	136	572	86	157	.307
Sabo Cin	139	508	80	152	.304
W.Clark SF	131	501	75	152	.303
Biagio Hou	131	472	70	142	.301
Butler LA	140	539	100	162	.301

RUNS—Butler, Los Angeles, 100; Johnson, New York, 94; Sandberg, Chicago, 90; J.Bell, Pittsburgh, 87; Gant, Atlanta, 86; Bonilla, Pittsburgh, 86; Pendleton, Atlanta, 85.

RBI—W.Clark, San Francisco, 105; Johnson, New York, 101; Bonds, Pittsburgh, 99; Dawson, Chicago, 92; Bonilla, Pittsburgh, 90; McGriff, San Diego, 90; Gant, Atlanta, 89.

HITS—T.Gwynn, San Diego, 168; Butler, Los Angeles, 162; Bonilla, Pittsburgh, 157; Pendleton, Atlanta, 157; Jose, St. Louis, 155.

DOUBLES—Bonilla, Pittsburgh, 39; Jose, St. Louis, 38; Sabo, Cincinnati, 32; O'Neill, Cincinnati, 32; Morris, Cincinnati, 31.

TRIPLES—Lankford, St. Louis, 13; T.Gwynn, San Diego, 11; Finley, Houston, 10; L.Gonzalez, Houston, 8; Grissom, Montreal, 8; Candaele, Houston, 7; Van Slyke, Pittsburgh, 7.

HOME RUNS—Johnson, New York, 33; Gant, Atlanta, 29; McWilliams, San Francisco, 29; McGriff, San Diego, 27; KvMitchell, San Francisco, 27; W.Clark, San Francisco, 26; Dawson, Chicago, 26.

STOLEN BASES—Nixon, Atlanta, 70; Grissom, Montreal, 65; De.Shields, Montreal, 52; Bonds, Pittsburgh, 40; Coleman, New York, 37; Butler, Los Angeles, 37.

PITCHING (13 Decisions)—Rijo, Cincinnati, 13-4, .765, 2.48; Carpenter, St. Louis, 10-4, .714, 4.23; Downs, San Francisco, 10-4, .714, 4.06; Mi.Williams, Philadelphia, 10-4, .714, 2.08; Hurst, San Diego, 15-7, .682, 3.22; Smiley, Pittsburgh, 17-8, .680, 3.39.

STRIKEOUTS—Cone, New York, 191; Glavine, Atlanta, 170; G.Maddux, Chicago, 167; Harnisch, Houston, 153; Gooden, New York, 150.

SAVES—Le.Smith, St. Louis, 39; Dibble, Cincinnati, 29; MWilliams, Philadelphia, 26; Franco, New York, 25; Righetti, San Francisco, 22; Letterls, San Diego, 21.

SOCCER

FRENCH FIRST DIVISION

St Etienne 0, Monaco 1
Metz 2, Auxerre 1

HOCKEY

Canada Cup Standings

	W	L	T	Pts	GF	GA
Canada	3	0	2	8	21	11
United States	4	1	0	8	19	15
Finland	2	2	1	5	10	13
Sweden	2	3	0	4	17	17
Soviet Union	1	3	1	3	14	14
Czechoslovakia	1	4	0	2	11	18

Semifinal Result
Canada 4, Sweden 0

TENNIS

Davis Cup

African Zone Group Two Final
Friday's Results, in Nairobi
Kenya 1, Ivory Coast 1
Paul Wekesa (Kenya) beat Jean-Christophe Nobi (Ivory Coast) 4-1 6-1 7-6 (7-0); Eno Polo (Kenya) lost to Clement N'Goran (Ivory Coast) 3-6 3-6 4-6

TRANSACTIONS

BASEBALL
American League
TEXAS—Activated Gerald Alexander, pitcher, from 15-day disabled list.
National League
CINCINNATI—Steve Schott, executive vice president, resigned.

BASKETBALL
Global Basketball Association
FAYETTEVILLE—Named Kevin Mackey, former Cleveland State coach, head coach.

FOOTBALL
National Football League
DALLAS—Activated Alonzo Highsmith, fullback, from injured reserve.
INDIANAPOLIS—Placed Bill Schultz, offensive guard, on injured reserve.
PHOENIX—Placed Larry Centers, running back, on injured reserve. Signed Terrence Flagler, running back.
SEATTLE—Signed Theo Adams, offensive lineman, to practice roster. Released Kevin Thompson, safety, from practice roster.
WASHINGTON—Placed Ed Simmons, offensive tackle, and Alvin Walton, defensive back, on injured reserve.

HOCKEY
National Hockey League
BOSTON—Signed Glen Wesley, defenseman, to one-year contract. Released Andy Bezeau, Bob Woods and David MacIntyre, left wings; Brock Woods and Shawn Rivers defensemen, and Ray Skinner and Guy Perron, centers.
CALGARY—Named Al Coates, hockey administration director, assistant general manager.
DETROIT—Sent Dave Barr and Randy McKay, right wings, to New Jersey as compensation for signing Troy Crowder, right wing. Assigned Claude Barthe, Derek Booth, Greg Bignell and Jody Praznik, defensemen; Craig Nicol and Don Stone, left wings; and Don Oliver, right wing, to Toledo, East Coast Hockey League. Returned Mark Myles, right wing, to Peterborough, Ontario Hockey League.
EDMONTON—Acquired Troy Mallette, left wing, from N.Y. Rangers as compensation for signing Adam Graves, center.
HARTFORD—Signed Doug Houda, defenseman, to multiyear contract. Traded Sylvain Cote, defenseman, to Washington for 1992 second-round draft pick. Signed Patrick Poulin, left wing.
MINNESOTA—Named Willard Ikola scout.
MONTREAL—Signed Les Kuntar, goaltender, and Mathieu Schneider, defenseman, to three-year contracts.
PITTSBURGH—Signed Jim Paek, defenseman, and Bruce Racine, goalie. Agreed to terms with Gordie Roberts, defenseman.
SAN JOSE—Acquired Doug Wilson, defenseman, from Chicago for Kerry Toporowski, right wing, and second-round draft choice in 1992 draft.
TORONTO—Signed Mike Krushelnyski, center-left wing, to three-year contract.
WASHINGTON—Signed Rod Langway, defenseman, to two-year contract.
WINNIPEG—Signed Randy Carlyle, defenseman, to one-year contract. Signed Gerd Donnelly, defenseman, to multiyear contract.
COLLEGE
AIR FORCE—Will add women's soccer as varsity sport. Named Marty Buckley, men's soccer assistant coach, head coach.
BIG EIGHT CONFERENCE—Named John Erickson assistant commissioner.
BROOKLYN COLLEGE—Dropped football program for season because of player shortage.
CLEVELAND STATE—Named Loretta Hummeldorf women's basketball coach.
CREIGHTON—Dick Myers, athletic director, resigned. Named Thomas Moore athletic director.
DRAKE—Named Chris Gage associate athletic director and Michael Adras men's assistant basketball coach.
DREXEL—William Logu, men's swimming and diving coach, retired.
FORDHAM—Named Mike Rice and Ken Peterson assistant basketball coaches.
HARVARD—Named Bob Leonard golf coach.
JAMES MADISON—Named Kevin Anderson assistant baseball coach.
LEHIGH—Named Richard J. Costello men's assistant basketball coach.
MANHATTAN—Extended contract of Steve Lappas, men's basketball coach, for three years.
MEDGAR EVERS—Named Bryan Mercer women's basketball coach.
MONMOUTH, N.J.—Steve Barnes, basketball forward, transferred from Ohio University.
NAVY—Named Dr. Sho Fukushima men's gymnastics coach; Carla Crisie women's track and field coach; Joseph French and Golf Beatty women's assistant basketball coaches; and Frank Prusch administrative assistant for football.
NIAGARA—Named Rob Lanier assistant basketball coach.

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DAVE BARRY

The U.S. Tick Collection

MIAMI — Today's topic is the U. S. National Tick Collection.

But first, I must make yet ANOTHER correction on the meaning of the French expression "savoir faire." As you may recall, I wrote a column stating that "savoir faire" means "ear size." A reader wrote back stating that I was a bonehead. So I wrote a column apologizing for my mistake and stating that the correct definition of "savoir faire" is, in fact, "nose hair."

I thought this had settled the matter, but recently I got a letter from ANOTHER irate reader, Liliane Adams of North Haven, Connecticut. Her letter begins: "Are you a complete idiot?"

Having thus softened the blow, she points out that a) I am still wrong about "savoir faire," and b) she knows this because she, personally, is French.

□

Well of course now I feel like a MAJOR horse's patooty (or, as the French say, "une BIGGE butte du cheval"). So this time, in preparing my correction, I had my staff of highly trained research assistants go over it thoroughly, both visually and by barking at it. Thus I am 100 percent confident when I state that "savoir faire" does NOT mean "ear size" OR "nose hair." It means "armpit fumes."

I'm glad we got that straightened out. I sincerely hope that my carelessness has not offended anyone else of the snail-eating persuasion.

Speaking of repulsive creatures, today's topic, as I said, is the National Tick Collection. If you think I'm making this up, check the June 1991 issue of National Geographic. There you'll find a fascinating news item brought to my attention by alert readers Scott and Irene Dean. It begins:

"The U S. government has solved the problem of who should pay for upkeep on a million dead ticks by sending them to Georgia. The National Institutes of Health has shipped the National Tick Collection to Georgia Southern University in Statesboro with a five-year, million-dollar grant to maintain it."

I'll pause here while you taxpayers wipe up the coffee you just spat all over yourselves when you went: "WHAT? We're paying a MILLION DOLLARS to maintain DEAD TICKS?"

Calm down. I checked into this, and it turns out that the National Tick Collection is O.K. For one thing, it's the largest in the ENTIRE WORLD. Japan may have overtaken us in technology, but we're still No. 1 in deceased blood-sucking arthropods. The National Tick Collection also has important scientific purposes. I spoke to the curator, James Keirans. National Geographic has a picture of Keirans holding a jar containing the largest known breed of tick. It looks like a small turtle. If this tick were to get hold of one of those yappy lap-style dogs about the size of a Hostess Twinkie, you'd hear a quick "slurp," and all that would remain of the dog would be lint.

□

Keirans said the collection is basically a whole lot of dead ticks inside jars; the whole thing "fits into an area about the size of a good-sized living room."

Keirans said scientists need to study ticks because they (ticks) spread all kinds of diseases. He said scientists actually go out LOOKING for ticks. It's called "flagging," wherein the scientist attaches a piece of white flannel to a broom handle, then drags it over the grass, where the ticks grab on to it.

"I've been in situations where I've picked up the flag, and it was black with ticks," Keirans said. "Then I looked down, and my pants were covered with ticks, crawling up my legs."

□

If a tick gets on you, the way to remove it is NOT to burn it or put chemicals on it. Keirans recommends that you grasp the tick near its head, ideally using tweezers, slowly pull it out, and mail it to the Publishers Clearing House.

No! I made up that last part. But the rest is true — an example of the useful information we get from being the world leader in tick research.

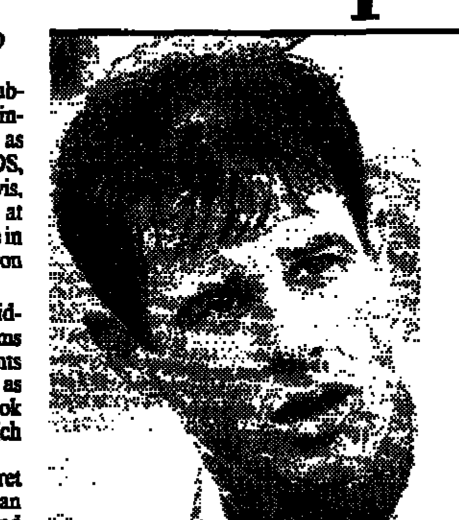
So I figure the National Tick Collection is a good investment of my tax dollars, especially when you compare it with other parasitic federal entities.

Maybe it would be cost-effective to replace high federal officials with dead ticks. Nah. Dead ticks are lacking a quality that comes naturally to your top federal leadership. Call it "savoir faire."

Knight-Ridder Newspapers

Actor's Postscript to Hollywood

By Bernard Weinraub
New York Times Service



Brad Davis kept his illness a secret from everyone but his wife, fearing it would shatter his career if others knew.

LOS ANGELES — The publication of an anguished indictment of the film industry as indifferent to people with AIDS, written by the actor Brad Davis, who died of the disease Sept. 8 at age 41, has touched a raw nerve in a community that prides itself on openness and tolerance.

Davis, who starred in "Midnight Express" and other films and plays, wrote his thoughts about Hollywood and AIDS as he drafted a proposal for a book to discuss the six years in which he carried the HIV virus.

Davis kept his illness a secret from everyone but his wife, Susan Bluestein, a casting director, and a handful of friends, largely out of fear that it would shatter his career if Hollywood knew about it.

Portions of Davis's reflections were published in The Los Angeles Times this week after his wife got in touch with the paper.

Bluestein, who could not be reached for comment, was quoted in the paper as saying that Davis wanted to have his story told. What emerges is a bleak portrait of an actor desperate to hide his condition and "remain anonymous at all costs."

"I make my money in an industry that professes to care very much about the fight against AIDS — that gives umpteen benefits and charity affairs with proceeds going to research and care," wrote Davis, who began work on his proposal in the last months of his illness. "But in actual fact, if an actor is even rumored to have HIV he gets no support on an individual basis. He does not work."

Davis expressed the fear that "somehow the gossip mill would get hold of me and that would be that: I'd be one more pariah in Hollywood who would never get a job."

Davis's reflections have been made public at a moment when the movie industry is, essentially, celebrating its own contribution and commitment to AIDS. On Sunday, virtually the entire movie establishment is planning to show up at the Universal Amphitheater in Universal City to honor, among others, Bette Midler, the actress, and Sidney Sheinberg, president of MCA, for their involvement with the AIDS issue.

Recently, the leading players in the industry appeared at a highly publicized fund-raising event given by a show business lawyer, Alan Hergott, for the National Gay and Lesbian Task Force. At the time, Hergott called it a "breakthrough."

But Davis's comments are, some Hollywood filmmakers say, a reflection of the industry's ambivalence and confusion, even fear, about dealing with AIDS and, for that matter, with homosexuality.

"AIDS is a pariah disease, it's too close to many people in this town, it's too frightening," said Bruce Davison, the award-winning actor who appeared in "Longtime Companion," one of the few films about AIDS. "It's easier, for example, to make films about Vietnam when it's not the '60s or '70s. Someday, when they find a cure for the disease, they'll make a movie about AIDS. It'll have a certain nobility then."

Davison said Davis's concerns about working were valid. "It's the same as Rock Hudson," he said. "I remember going to the doctor's office to get a physical and there was Rock Hudson. He was trembling. He was frightened. Now I know that he was terrified that he'd be found out and he wouldn't have a job."

Davis, in his notes, indicated uncertainty about how he contracted AIDS. "I was a total drug addict — an alcoholic and IV drug user — a user of just about any kind of drug I could get," he wrote. "And I was sexually very promiscuous. I've never known any addicts who weren't."

Certainly, the bleak subject of AIDS is considered financially risky, especially in the aftermath of the summer flop "Dying Young," with Julia Roberts, which dealt with a young man dying of cancer.

(On the other hand, "Love Story" and "Terms of Endearment," in which major characters died young, proved to be financially successful.)

"Look, the economy is depressed, people are struggling financially, it's a hard time in the industry," said Craig Zadan, producer of "Footloose" and other films, who is planning to co-produce with Oliver Stone a film about Harvey Milk, the gay San Francisco politician who was assassinated. "People want to escape. It's not a good time to come in with a film about death."

Mike Medavoy, chairman of Tri-Star Pictures, said: "There's always a pause when you make a film about someone dying. You're afraid to be maudlin or false. It's just a very difficult subject to do well. Even films like 'Love Story' and 'Terms of Endearment' had a very hard time getting made."

But others say dealing with AIDS is especially delicate and complex in an industry where there are numerous gay actors and directors who are not only silent about their sexuality but who also try to hide it.

"Hollywood is scared to put money on AIDS films because it's a stigmatized disease and a lot of people here are in the closet who just don't want to be associated with the subject," said Zelda Rubinstein, the actress from "Poltergeist" who was an an early supporter of AIDS education and support. "It frightens a lot of people here."

Several people in the industry agreed that Davis was right to worry about working. "There's so much competition, there're fewer and fewer projects, if you have any excuse to hire one person over another, you do it," said Zadan. "I don't think it's an issue of prejudice. All of these decisions are subjective. The slightest thing can influence you."

Medavoy observed: "An actor's health is not a question that I would consider, unless he had a serious heart condition and we had insurance problems. If a director wants to hire an actor, and he's a good actor, I'm not going to ask what his health is."

Even film executives acknowledge that television has been somewhat more flexible and open about AIDS and gay people than the film industry.

Several prime-time series, including "L.A. Law," "Doctor, Doctor" and "Thirtysomething," have included gay characters, and there have been some moving television dramas about AIDS, including "An Early Frost" and "Our Sons." "Longtime Companion" will be shown on the Public Broadcasting Service on Sept. 29.

A leader in Hollywood efforts to combat AIDS is Helen Gorman Kushnick, who lost a 3-year-old son to AIDS because of a tainted blood transfusion.

Kushnick, manager of the comedian Jay Leno, said: "If everybody takes the position that Brad Davis did — and believe me, I'm not judging him — then people with AIDS will remain a minority. If people choose to speak out, they become the majority. People have got to speak out. I've had breast cancer. And I've had nothing but support. I didn't keep it a secret. And NBC just hired me to be executive producer of the 'Tonight' show next year."

PEOPLE

Grand Duke Boris?

Grand Duke Boris? **President Boris Yeltsin** of Russia, acclaimed for his role in thwarting last month's coup, has been offered the prerevolutionary title of Grand Duke. Tass said Friday that **Alexei Brumel**, the regent of the exiled Russian monarchy, had awarded Yeltsin the title "for the courage and resolution he displayed during the tragic days of August." Brumel, who represents the exiled heirs of **Czar Nicholas II**, said Yeltsin had to decide himself whether to accept the honor.

□

A jury in New Orleans has found that the evangelist **Jimmy Swaggart** defamed a fellow television minister, **Marvin Gorman**, whose career collapsed five years ago in a swirl of accusations that he was an adulterer. Finding both Swaggart and his television ministries liable for damages, the jury awarded Gorman's television and crusade ministries $9 million. In addition, it awarded Gorman $600,000 for defamation and $400,000 for intentional infliction of emotional distress. He said when he filed the suit that he did so because "when Paul could not get a fair and just hearing, he applied to go before Caesar." Regarding an allegation by Swaggart that Gorman had engaged in sexual misconduct with the wife of a fellow preacher during a session of biblical counseling, Gorman did concede during the trial that, in commiting an act of adultery, "I fell."

□

The focus in the **Martina Navratilova** palimony suit has turned to the ethics of the lawyer for **Judy Nelson**, who was the tennis star's longtime lover. A judge in Fort Worth, Texas, is considering whether the attorney, **Jerry Loftin**, should be liable for any money the tennis star might lose as a result of Nelson's suit, under which Loftin is seeking 40 percent of any settlement his client might receive through a contingency fee. On-again, off-again reports of a settlement between Navritolova and Nelson have been rife all week. Nelson, 45, contends Navratilova, 34, breached a "nonmarital cohabitation agreement" signed in 1986, a pact that sources said could cost Navratilova as much as $4.5 million. When the couple's relationship ended earlier this year, Loftin sent **Mike McCurley**, Navratilova's Dallas lawyer, a letter warning that failure to settle out of court could result in "devastating" emotional stress, during which "the press here and abroad will have a field day." Loftin also warned in the letter: "This is not a threat, Mike. But we either go forward in good faith ... or we go to court." Earlier, private negotiations between Navratilova and Nelson broke down when the tennis star stalked out of the room and slammed the door behind her. "There'll be no more negotiations; what there will be is court, tomorrow morning at 9 o'clock," Nelson said, adding: "She's just really angry that we're here in court and that she can't be in Africa on safari."

□

The death mask of the gangster **John Dillinger** is expected to bring as much as $15,000 at an auction in Chicago. The black latex mold was one of two made while Dillinger's body lay in the Cook County morgue after he was shot by police on July 24, 1934, near the Biograph movie house. The mask is so detailed that of Dillinger's pencil-thin mustache and a bullet exit wound can be seen. The auction house said the mask and two wax impressions belong to a Wisconsin resident who received them from the collection of the late **Calvin Goddard**, a Wisconsin criminologist.

□

The actors **John Travolta**, 37, and **Kelly Preston**, 28, have gotten married again after they found out that the last one didn't count. The pair had been "married" last week at the Hôtel de Crillon in Paris by a representative of the Church of Scientology. But when they got back to the United States, they were again united by a justice of the peace in Daytona Beach, Florida, when they learned that the ceremony in Paris would not be recognized. A spokesman said the couple, who are expecting a baby, considered the Crillon ceremony their "real wedding." He added, "It was a full ceremony with a wedding gown and everything."

□

The Chicago Symphony Orchestra canceled the season's first three concerts this weekend when talks between musicians and management collapsed. This season, the orchestra's 101st, is the first under the baton of **Daniel Barenboim**, who succeeded **Sir Georg Solti**.

PERSONALS

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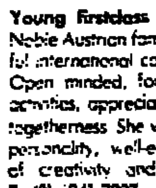

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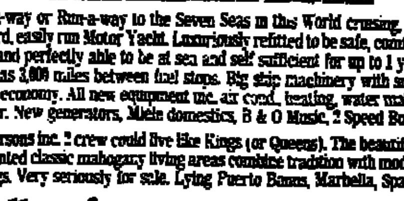

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